# The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, JULY 4, 1929







## See for yourself this summer How YOU Have Made Us Grow

Since many of our agents were last in Glens Falls, our Home Office, the best known building in Northern New York, has been given an addition which increases its size about 40 per cent.

This could not have happened but for the constantly increasing business being sent to us by our agents. To all of them we are sincerely grateful.

We are happy to realize that many of you will see this evidence of growth with your own eyes during the coming vacation season, because thousands of insurance men have formed the pleasant habit of seeking recreation in the wonderful Vacationland that adjoins Glens Falls. The motor road to Lake George, Lake Champlain, Lake Placid, the Adirondack Mountains, Montreal, Quebec and the Canadian Wilderness leads directly past our Home Office.

Every insurance man is assured a warm welcome if he will drop in and say "howdy" when he comes to Glens Falls.

Glens JallsINSURANCE COMPANY

"The Glens Falls Fleet"

CMMERCE INSURANCE COMPANY Glens Jalls

INDEMNITY COMPANY
Glens Falls, New York

CHICAGO BRANCH OFFICE 175 West Jackson Boulevard

Glens Falls, New York

NEW YORK BRANCH OFFICE 84 William Street

SAN FRANCISCO BRANCH OFFICE 354 Pine Street

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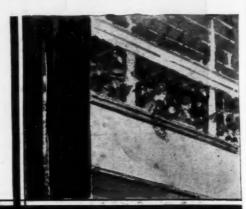
## National Association of Insurance Agents

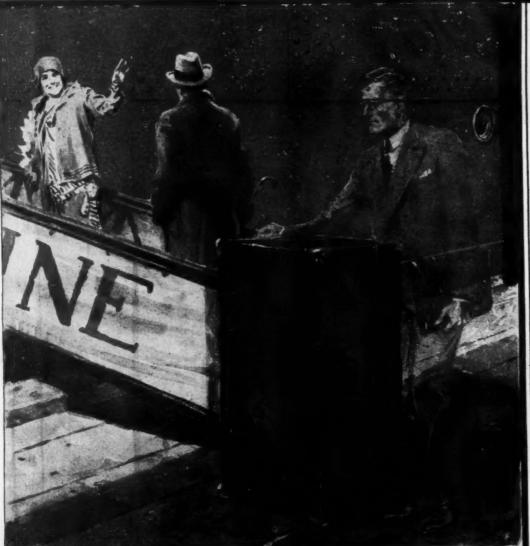
Thirty-Fourth Annual Convention

Book - Cadillac Hotel

September 10-11-12-13, 1929

# The Invisible WATCHMAN...





FF to the continent, around the world, to the seaside for a week-end or two weeks—no matter where they go, how long they stay, the wise agent will appoint himself their invisible watchman. With the Personal Effects policies of this Company he can protect his patrons, as regards their baggage, against loss or damage by reason of all the hazards of travel and transportation, against theft and fire — anywhere away from home, all the year round.

Now particularly is the season to concentrate on these policies. Progressive agents are today talking with their clients and prospects, showing them the facts — the records of hotel fire losses, the losses and pilferings on railroads and ships, the calculated risk of damage in transportation. Our agents marshal the facts and then apply them— that's why they're known as the Invisible Watchman of modern business.

AND LONDON AND GLOBE

Executive Offices: 1 Pershing Square Park Avenue at 42nd St. New York, N. Y. Pacific Coast Dept., San Francisco, Calif.

THE NATIONAL INSTITUTION WITH A WORLD WIDE BACKGROUND

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## The National Underwriter

Thirty-Third Year No. 27

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, JULY 4, 1929

\$4.00 Per Year, 20 Cents a Copy

#### Conference Idea Not Abrogated

National Association Executive Committee Reviews Dealings with National Board

#### BACKS LOYAL COMPANIES

Episcopal Church Insurance Company Plan Vigorously Condemned at Cleveland Meeting

NEW YORK, July 3.-Prominent among the matters considered by the executive committee of the National Association of Insurance Agents at its meeting at Cleveland June 28-29 was the attitude of the National Board toward the conference agreement, as set forth in the report of the executive committee of the latter body submitted in May. The committee of the agents' association held that "it does not interpret the statement of the executive com-mittee of the National Board" that the latter organization "is unable to arbitrate a difference arising under the conference agreement as abrogating the conference idea, or calculated to discourage harmonious relations between agents and companies." It holds "that the loyalty of ethical companies and ethical agents is too important to the success of both to be lightly cast aside or permanently impaired by either."

#### Owe Allegiance to Loyal Companie

It is to be remembered, the commit-tee says, "that members of the National association still owe their allegiance to association still owe their allegiance to those companies whose loyalty to our principles for the preservation of the American agency system is unquestioned, irrespective of differences in detail of operation." Therefore, it concludes, "the principles of the National association, recognized as fair and just the absociation of the state of th by the almost unanimous voice of the fire insurance companies, will continue nre insurance companies, will continue to be observed in the practices of these companies individually, a result that will follow in large measure the recognition and support of well organized local boards having reasonable rules and reg-ulations."

#### No Action on Convention Change

The suggested changing of national conventions from mass meetings to delegate gatherings, where the local board will be more of a recognized unit, was debated. The committee decided to ask the Kansas City board, which first proposed the idea, to put it in constitutional amendment form so that action on it may be taken at the Detroit convention.

that action on it may be taken at the Detroit convention.

As chairman of a special committee on convention attendance Fred B. Ayer of Cleveland reported a most encouraging outlook for unusually large attendance at Detroit. Cleveland, Chicago, Cincinnati, Kansas City, Toledo and St.

(CONTINUED ON PAGE 35)

## Effect of Mergers Is Seen Premium Income

Companies in Order to Create Profits for Dividends and Financial Development Are Investing in Common Stocks-Agency System Is Strained

NEW YORK, July 3.—(Special systems as applied to community wel-Correspondence)—Will insurance mergers be carried to such a point that they will have to be prohibited or regulated by law? When well-established large companies can no longer see their way clear to operate independently it be-comes clear that we are undergoing fundamental changes which affect the soundness of the whole structure.

The "Journal of Commerce," discussing this editorially with regard to bank mergers, and particularly the recent Chase-National Park bank, says:

'The question is fairly asked how far this merger movement is likely to go, and what will be the results of it in its effect upon the larger interests of the community. Experience in New York is merely paralleling that which has already been observed in London, where the combination of banking in-stitutions proceeded so far that the treasury was obliged to intervene, and by the threat of legislation to bring the movement to a halt with the understanding that future combinations, if any should be undertaken only after con-sultation with, and approval had, from that department. But in the meantime, the number of large British institutions had been reduced to only five."

#### Predicts Branch System

In banking the prediction is freely made that the branch banking system followed in Great Britain and Canada will inevitably spread to the United States and that all the independent banks will become branches of the main banking systems

banks will become branches of the main banking systems.

If the present insurance system is to be maintained the merger process can not go much further. Granted that the organization of a large number of new companies has delayed the process for a time, it follows that so long as mergers continue the dominant theme, the new companies will not permanently stem the tide. Then what are we coming to? Merely the economic condition that prevailed in Europe before the war, is about all that can be made out of it.

#### May Come to English System

The branch manager system in the large cities with local inspectors or unlarge cities with local inspectors or underwriters on the ground, which is the English system, does away with the local agency principle. The branch manager plan has its advantages, no doubt, which are virtually those of the chain store method, but it puts the agent out as a man in business for himself. A branch manager on salary is hardly justified, any more than is the chain store manager, in acting on his own initiative in local affairs as does the local business man—give liberally of time, money and interest to civic of time, money and interest to civic enterprises and the like, which marks the many differences between the two

The plan of having the banking business of the country on the branch sys-tem strikes one at first hand as being un-American and stifling individual opportunity, which of course it does. The real problem is to preserve just as much of individual opportunity and initiative as possible without sacrificing efficiency and economy.

One insurance man thinks the move on the local agency system as constituted would have come earlier had not the loop-hole of investment banking opened up for the great companies and given them the opportunity to make a large share of their stockholders' profits by investments in common stocks of the great basic industries. These companies have followed the sage advice of the elder Morgan which was. "always be an optimist on the future of the United States.

#### Plan Investment Change

While big money has been made in common stocks, the principle is still held to be sound, although only "in a highly selective market" the old stock phrase for shrewd investing. Virtually all the companies that have not yet done so are changing or planning to change their investments from bonds, mortages and preferred stocks to the major their investments from bonds, mortgages and preferred stocks to the major
common stocks. In the casualty field
the Fidelity & Casualty sale was frankly
on that basis. The Employers Liability
group and Preferred Accident are two
others that have recently adopted the
principle of matching or bettering their
underwriting profits with their common
stock profits, both by the way, through
New England financiers.

#### Method of Creating Profit

Did not the companies have this ready way of making returns in diviready way of making returns in divi-dends or surplus accumulations to justify the present prices for their stocks, some other direction and method would have to be found and of course one of these has been the merger plan. The agency system can hardly expect to remain wholly intact under the pressure. The investment of huge sums in American prosperity certainly helps the agency system, at least temporarily. system, at least temporarily.

But what if the mergers go on in-

definitely?

#### Situation in Life Insurance

In life insurance the merger idea has not taken hold despite the desperate efforts of various consolidators. In this business the sentiment is against merg-ers. Perhaps the campaign waged by THE NATIONAL UNDERWRITER two or three years ago focused attention on the subyears ago focused attention on the subject and helped create opposition. As life insurance companies are not as yet capital of \$20,000,000 have been licensed in different states. Their competition allowed to invest in common stocks, the investment urge is not present. It must be remembered, too, that the life com-

(CONTINUED ON LAST PAGE)

## **Maintains Level**

Review of First Six Months Indicates Greater Cooperation Among Executives

FIRE LOSS RECORD FAIR

Orthodox Companies Take Militant Attitude Toward Non-Affiliated Competition-New Companies a Factor

NEW YORK, July 3.-Now that the first half of the year has passed, a brief summary of its outstanding features as affecting the fire business, together with a speculation as to what may be looked for during the succeeding six months, is in order. So far as premium income is concerned the record since Jan. 1 does not differ materially from that of the corresponding period of 1928; some companies reporting a slight gain, and others a modest falling off. However, in order to maintain the level the orthodox offices had to work far harder than ever before to overcome the con-tinued downward rate tendency, coupled with the competition of the large num-ber of new stock corporations in the field and the growing aggression of mu-tuals and reciprocals.

#### Officials Not Dissatisfied

Fortunately the loss record, though not nearly so good as might be in-ferred from statements appearing in the daily press, might be far worse and company officials have no particular fault to find therewith, although the feeling exists that considering the many educational activities directed toward its reduction, the record should be far better. That it has not been worse, is attributed to the generally prosperous condition of general business.

#### Expense Element Mounting

While no complaint is lodged against the loss record, the reverse holds with respect to the expense element of the respect to the expense element of the business, which continues to mount steadily. This year the companies, and especially those that trade actively in securities, will be compelled to pay out considerable sums to the federal government, to cover profits upon their stock sales transactions, it being roughly estimated that the total contribution of all offices for such purpose in 1928 will be not less than \$10,000,000. This tax to the federal government was detax to the federal government was de-termined upon by Congress last year and will be a factor not hitherto consid-

#### Must Fight for Place

Within the past six months 17 new

(CONTINUED ON LAST PAGE)

## Are Applauded

Commissioner C. D. Livingston of Michigan Speaks Before the Field Men

#### URGES HIGHER STANDARDS

Declares 15 Percent of the Agents Write From 85 to 90 Percent of the Business

#### NEW OFFICERS ELECTED

UNION FIELD CLUB

President-H. M. Johnson, Commer-

Vice-President-F. D. Row, Springfield re & Marine. Secretary—A. N. McDougall, Royal Ex-

BUREAU FIELD CLUB

President-J. J. Hubbell, Security of

Haven. ce-President-O. F. Merbitz, Crum &

Forster. Secretary—Stuart Morgan, Agricul-

The annual gathering of the Michigan field men was held at Port Huron, Mich., last week, the Michigan Underwriters' Association, the Union club, and the Michigan Field Club, the Bureau organization, meeting at Gratiot Inn. There was a joint meeting presided over by President E. P. Chaufty of the Union organization. Among the were John Hanson, manager visitors of the Western Adjustment at Detroit; Secretary Joseph F. Curtin, Detroit Fire & Marine; W. T. Bennallack, superintendent of agents, Michigan Fire & Marine; R. E. Vernor, manager fire prevention department, Western Actuarial Bureau: Manager Ernest fire prevention department, Western Actuarial Bureau; Manager Ernest Palmer, Chicago Board; Superintendent of Agents R. D. Safford, Travelers Fire; Western Manager W. N. Achenbach, Aetna; Western Manager A. F. Powrie, Fire Association; Western Manager W. P. Robertson, Alliance; Ralph Rawlings, manager Boston and Old Colony; C. R. Street, western manager, Great American; C. D. Livingston, Michigan insurance commissioner; Robe Bird, assistant western manager, Amer-Bird, assistant western manager, American of Newark, and R. M. Peterson, manager Underwriters' Adjusting Co. at

Commissioner Livingston addressed the joint meeting. He was very frank in his statement regarding the agents' qualification law. He said that it is qualification law. He said that it is always unwise to start a law that is too difficult to enforce. This will defeat carrying out its purpose. He believes in a qualification law but he said that it must be reasonable in its re-quirements. He urged the young field men to prepare themselves to meet the demands of their calling. He said that the field men primarily are responsible for the character of the agents that are representing their companies. They are better able than anyone else to make the selection in the first place. Higher agency standards, he said, are better for the public and the insurance busi-ness itself. Commissioner Livingston said that practically 15 percent of the licensed agents of the country write from 85 to 90 percent of all the life, fire and casualty business. Many of the insurance laws are archaic and illiberal. They need modernizing, in his opinion. The insurance business has grown and extended itself along lines that were not dreamed off. Speaking of the Michigan law, he

## Whole Time Men "Fenced in Customer" Called a Joy Forever

Chauncey S. S. Miller, publicity director of the North British & Mercantile group, in his talk before the Wisconsin field men spoke, as he always does, on a graphic and intriguing theme. His text was "A Fenced in Customer is a Joy Forever." Mr. Miller built up around a customer an insurance fence for his residence. The four main posts, he tabbed burglary, life, fire and automobile. Mr. Miller said that the four posts were the substantial pillars to which the fence would be attached. However, the posts themselves would However, the posts themselves would not protect the holders. Pickets must be constructed. These pickets are accident and health, rent, tornado, liability, household workmen's compensation,

tourist's floater and so on.

Mr. Miller carried his analogy then to the business customer showing how

his plant or place of business could be fenced around in the same way. He said there is no value in trying to sell a customer insurance that he does not need. The agent must be so fortified need. The agent must be so fortified that he can analyze the assured's requirements and clearly show him that he needs the character of protection that is being presented to him. The assured himself does not know what he needs in the way of insurance. He urged agents to fill up the gaps in the fence. While there is a shrinking fire insurance income he said that it can be supplanted by selling the so-called allied lines. He characterized the agent as the lines. He characterized the agent as the architect and builder of the fence for architect and builder of the fence for the assured. The basic qualities that he needs are knowledge, experience, alertness and fidelity, as Mr. Miller sees

said there was an obvious need in the change of the statute governing public He said that it is necessary adjusters. in his opinion to bring them under the supervision of the state insurance department. In the new code, authority is given the commissioner to make rules and regulations under which they will operate. He said that they should be required to give a bond, also pass an examination conducted by the depart-

Commissioner Livingston declared that the automobile insurance business caused his department more trouble than any other line except health and accident. He stated that in his opinion a standard automobile policy would not be in order at this time. However, certain features in his opinion are necessary to correct. There are unsatisfac-tory adjustments being made by some companies. He said that after Aug. 28 insolvency and bankruptcy clause be contained in all liability and property damage automobile policies.

#### Ernest Palmer a Speaker

Ernest Palmer, who is manager of the Chicago Board, was enthusiastically received, he having been present a few years ago. He said that the insurance business has undergone a complete change in the last 25 years. He

laid particular stress on the fact that the field men must create a closer and more intimate contact with the public and particularly the business man. They should be able to explain insurance clearly to anyone. The confidence in stock insurance will be enhanced when its function is explained in an intelligent way. He said that the public should be taken more into the confidence its function is ligent way. He said that the public should be taken more into the confidence of the insurance people. Field men in their daily contacts, he said, can do much to instruct and school the much to instruct and school the assured. Mr. Palmer said that insurance seemed to be afflicted by the jazz era and is in a sort of hysterical state.

#### Public Is More Interested

Public relations, he said, will become more and more a part of the necessary function of field men and in fact all in the business as time goes on. He said that the public largely on account of buying insurance stocks is becoming more interested in various lines of business. A great number of laymen, he said, have purchased insurance stocks. Therefore, they are vitally con-cerned in the function and operation insurance companies. They to see how the wheels go around. He said whether or not the insurance people like it, this condition will continue.

(CONTINUED ON PAGE 42)

#### CONDENSED NEWS OF WEEK

Fire insurance premium income for six months maintains 1928 level. Page 3 \*\* \* \*\*

Important matters taken up by executive committee of the National Association of Insurance Agents at meting in Cleveland. \*\* \*\*

Trend of general business conditions nation-wide is reviewed. Page 5

North Dakota agents enjoin Commissioner Olsness from placing state fund reinsurance with companies direct.

Page 5

Kansas hail experience this year is exceptionally good.

Fage 16

F. C. Dorsey, president of the Liberty Bank & Trust Company of Louisville shows the necessity of assureds being properly protected by insurance.

Page 4 Page 4

\* \* \*
Separation move to be pushed on PaPage 12

Court orders distribution of excess premiums in Kentucky.

Virginia agents hold annual at Alexandria.

Page 12

excess Page 19

Page 19

Page 3

at Alexandria.

\* \* \*

H. M. Johnson of the Commercial Union is elected president of the Michigan Union Field Club with J. J. Hubbell of the Security, president of the Bureau club.

\* \* \*
Wisconsin field men hold annual outPage 13

Gilbert Kingan, assistant United States nanager of the London & Lancashire, succeeds Henry W. Gray as manager. Page 10

Casualty bureaus still looking for directing head.

William G. McComas points out possibilities in increasing premium income by selling liability lines. Page 39 \* \* \* \*

H. P. Stellwagen expresses optimism over future of automobile insurance.

Page 37

Austin J. Lilly talks about compulsory automobile liability insurance and the safety responsibility bill. Page 39

\* \* \*

Directors of the Travelers vote to increase the capital from \$17,500,000 to \$20,000,000.

Aetna Life opens new casualty branch office in Detroit, with John F. Horton, now of Grand Rapids, as manager.

Page 38

Ohio department rules that private cars of employes can not be included in liability or property damage fleets.

Page 42

New Century Casualty of Chicago is entering the burglary field. Page 46

The American Surety on July 1 started to write all casualty lines and will work in connection with its running mate, the New York Casualty. Page 37

#### **Banker Presents Insurance Needs**

Declares That Fire Does Not Stop at Merely Property Loss

#### CREDIT MAY BE SHAKEN

Urges Agents to See to it That Assured Is Protected Against Disaster

F. C. Dorsey, vice-president of the Liberty Bank & Trust Company of Louisville and a director of the Liberty Insurance Bank, made a talk at the annual meeting of the Kentucky Association of Insurance Agents. He is prominent in Kentucky banking circles, and just completed a year's term as president of the Kentucky Bankers Association, presiding at the annual meeting in Paducah this month. He is well posted on banking and insurance. The subject of his short paper was "Relation of Insurance to Credit," in which he discussed how and why the banker is favorable to complete insurance coverage, as he deals with certainty rather than uncertainty.

#### Can Increase Premium

He pointed out that the local agent, and especially the rural agent, could materially increase premiums by chat-ting with his banker and suggesting other coverage that would aid the banker in protecting his loans, pointing out that the banker may be overlooking some lines that the borrower may really need to protect himself and the bank. When the banker suggests coverage to the borrower, the latter listens. He also said that bankers never refuse loans for installation of automatic sprinklers or fire protection devices.

#### Scan Financial Statement

Mr. Dorsey said that bankers scan the financial statement and standing of a borrower closely to ascertain whether to receive credit and how much. The banker may be satisfied as to his honesty, business ability and resources. Sometimes, however, it is found that a concern does not carry sufficient property insurance. A banker, he said, should guard against under-insurance. Bankers know that a disastrous fire does not stop at the direct property loss. There are many incidental losses, such as the can-There are cellation of contracts, wage earners being thrown out of employment, and so on. Frequently failure and financial impairment follow a fire. Many business failures, he said, are directly traceable to the effect of the fire.

#### Insists on Tornado Insurance

Mr. Dorsey said that he would insist on tornado insurance as well as fire. He would require boiler insurance where customers have mills. He would insist on liability insurance. He believes that bankers will more and more look into the insurance protection of a borrower. He said that often one of the biggest assets in a statement carried in a nominal amount is a leasehold. Rental may be based on a value as of 10 or 15 years ago. The lease may be sold for a profit of as much as the net worth of the business outside of the lease. A disastrous fire may cancel the lease. Therefore, leasehold insurance should be carried. He also said that use and occupancy insurance is needed to protect an assured during business interruption.

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#### State Can't Be **Mutual Member**

North Dakota Suit Attacks Plan for Reinsurance of Excess on State Buildings

AGENTS WANT BUSINESS

Question Commissioner's Authority to Place It With Companies Direct, Rather Than Locally

BISMARCK, N. D., July 3.—Action to restrain Insurance Commissioner S. Olsness from placing reinsurance on state property with home offices of insurance companies, rather than with their local agents, was brought in district court here Monday by five members of the Insurance Federation of North Dakota. The suit was filed to forestall the commissioner from carrying out a plan which insurance men contend is contrary to law but which Mr. Olsness contends is legal and would save the state thousands of dollars annually. Those who signed the complaint on behalf of the insurance federation are

Henry Murphy, Bismarck; Julius Baker and Roy Baker, Fargo; Dwight Crab-tree, Ellendale, and R. J. Doebler, Minot. Judge Fred Jansonius issued a temporary order restraining the commissioner from reinsuring state property for more than 60 days and fixed July 8 for argu-

By the order just issued, Commissioner Olsness is temporarily restrained from placing excess insurance on state buildings direct with insurance com-panies rather than with local agents of reliable insurance companies in the counties in which insured structures are protected.

#### Contracts Made with Companies

The complainants charge Mr. Olsness has entered into contracts with com-panies to furnish all the fire and tor-nado insurance carried on all public buildings and names two such com-panies. Mr. Olsness admitted that such contracts had been made with the Im-plement Dealers Mutual of Grand Forks, Minnesota Fire of Chatfield and A. T. Russell, Fargo. General Agent Russell is the one not named in this connection in the complaint. Mr. Russell, under the agreement, is to furnish 50 percent of the excess insurance on all state buildings, and the other companies 25 percent. ent. The complainants contend this is violation of the law requiring the commissioner to fix a rate of premium on excess insurance in accordance with pubrates. Commissioner Olsness says a saving of \$50,000 to the state will result from elimination of local agents' commissions, which average 25 percent, and some additional saving, probably about 10 percent, based "on experience." He contends there is no violation of law, inasmuch as it will be up to the contracting companies to "take care of their agents."

#### Attack Contract with Mutual

The complainants charge that placing The complainants charge that placing of excess insurance with the Implement Dealers Mutual is a direct violation of law, in that it constitutes engaging in private business on the part of the state. They maintain that under the laws of the state a holder of a policy in a mutual company is a member of the company and as such is subject to assessment "to an amount equal to 100 percent of the premium written in each policy" in event of loss. They declare that if Mr. Olsness writes 25 percent of the excess insurance with this company, They maintain that under the laws of the state a holder of a policy in a mutual company is a member of the company and as such is subject to assessment "to an amount equal to 100 percent of the premium written in each policy" in event of loss. They declare that if Mr. Olsness writes 25 percent of the excess insurance with this company, "the state of North Dakota and its mutual background with the state of North Dakota and its mutual background with the state of North Dakota and its mutual background with the state of North Dakota and its mutual background with the state of North Dakota and its mutual background with the state of North Dakota and its mutual background with the minds of Sault Ste. Marie people. The plan is to estimate the rental value of the property to be insured and in every single case to add the rent coverage to the fire policy. Very few customers refuse to accept the rent coverage. "In 99 cases out of a hundred," says Mr. Old, "the rent coverage sticks."

#### Announcement

Dale R. Schilling, who is now connected with the Springfield, Mo., "News & Leader," will join the Chicago editorial staff of The NATIONAL UNDERWRITER next Monday, taking the place of the late Albert J. Barr, who met his tragic end in an automobile accident while he was on his way to cover the annual outing of the Cook County Field Club, the fire insurance organization.

Mr. Schilling is by no means unknown to the insurance fraternity. He went with the "Insurance Field" at its Chicago office in July, 1924, serving under Associate Editor T. R. Weddell. After a year's experience there he was

After a year's experience there he was made associate editor at New York and then was taken to Louisville headquarters where he spent a year as office associate editor.

sociate editor.

He took great interest in the achievements of life insurance and went to Kansas City feeling that he was so grounded in life insurance knowledge that he would be a success as a salesman. However, Mr. Schilling came to the conclusion that he was a better newspaper man than a life insurance man and hence went with the "News & Leader" where he has served in various capacities. Before entering insurance Leader" where he has served in various capacities. Before entering insurance newspaper work Mr. Schilling served on the Kansas City "Star," St. Louis "Globe-Democrat," "Register & Tribune" of Des Moines and the Des Moines "News." He took the journalistic course at the University of Missouri and then attended the University of Illinois, specializing in architecture. Mr. Schilling saw war service in France during 1917 and 1918.

nicipalities will thus become members of nicipalities will thus become members of said fire insurance company and as such subject to such assessments as might be imposed by its by laws and laws of state." They further contend that it is illegal for the state or any of its municipalities "to be or become a member of any private insurance company," and that if Mr. Olsness should place any insurance with this company "he will exceed the authority given to him by law."

#### Culmination of Long Fight

The filing of the suit is the culmination of a fight of long standing, featured each year by the introduction of a bill in the legislature to require the placing of all excess insurance by the local units. Under the state law, the state fund carries all of the insurance on fireproof

carries all of the insurance on freproof buildings. On all brick buildings, the fund carries one-half of the insurance with a limit of \$100,000, all the excess insurance to be placed with private companies through local agents in the counties in which the insured buildings are located. On class 3 buildings, which include all that are other than fireproof clude all that are other than fireproof and brick, the fund is limited to \$25,000 on one risk and must carry the first \$10,000 net. On any risk over \$10,000 it must carry one-fourth of the insurance up to and including \$25,000.

#### Community Is Sold on Value of Rent Insurance

"We have the community pretty well sold on rent insurance now." That is the title of an interesting article in the latest issue of the "Hartford Agent" telling how John P. Old of the Sault Insurance Agency, Sault Ste. Marie, Mich., has established rent insurance as an absolute necessity in the minds of

## Little Change in Outlook

Fire and Casualty Underwriters, Having Experienced Good Half Year in Line with General Business Prosperity, Still See Reason for Caution as to Future

NEW YORK, July 3.—Little change developed during the past month in the business outlook for fire and casualty underwriters and July opens with the same general picture of caution for the future. There were several important developments in the world of business and finance, but none of them affects the basic picture as studied by underwriters. Basically, the future looms as sound, but basic picture as studied by underwriters. Basically, the future looms as sound, but less glowing than past years and 1929 appears to be taking shape as a year of transition. While the half year mark passed without any great disturbance, the year should close without any great misfortune, but it is not probable that it will prove as good as last year—nor is it expected that the second half of this year will be as satisfactory as the first half.

Viewing the general market, steel, the Viewing the general market, steel, the basic industrial factor, has closed a half year of record production and should continue its pace through July. This is probably the outstanding development of the half year just closed and the most important factor in the maintenance of the general picture of prosperity. Steel the general picture of prosperity. Steel has maintained a record pace since the opening of the year and expects to continue this for at least a month longer.

## Auto Field One to Closely Watch

Automotive production, whose record pace of the half year has been an important factor in the great steel production, likewise looks forward to a continuation of its production pace in July, though beyond that time few care to predict. Used car stocks are piling up and marginal prospects are being exhausted, in the minds of many, so that the future is doubtful. It is not likely that new premiums will fall off for either fire or casualty lines, but loss ratios are endangered by this situation. Underwriters can recall the heavy fire and theft losses in past periods of glutted markets, used cars especially causted markets, used cars especially causing much trouble, though present underwriting restrictions, the result of past misfortunes, should minimize such losses today. The automobile market, in any case, offers the agent a great field for development, for this is one of the least developed lines today. There is no reason why every state should not be as thoroughly covered as those where insurance is compulsory and until that is achieved, agents can not be greatly worried by the saturation point of the automotive industries.

## Building Construction Not in Bad Shape

Building construction, another steel factor, is an example of the danger of taking figures at face value. Recent reports have all pointed to the great decrease in building construction during the opening months of this year. This is true and total figures show that this has been continued during the half this has been continued during the half this has been continued during the half year and promises to continue during the next month and many months to come. But, the total figures did not tell the story which is of special interest to the underwriter, both fire and casualty. Metropolitan construction of industrial and commercial nature has interest the decrease being accretical to creased, the decrease being accredited to residential and other small building.
Thus the fire and surety underwriter has
as great a field as ever for cultivation
of new business, for the bulk of the
premiums come from these large projects.

Factory production has joined with the other factors to make up the half year picture of prosperity. In most lines of general production, there has

been little need for worry for the un-derwriter. Freight loadings, well above last year and about on a par with most of the past half dozen years, point to this throughout the country and facthis throughout the country and tactory employment, at an increased level, emphasizes it. The local agent should find his industrial prospects in a good mood for expansion of lines and additions of needed coverage and the home office underwriter should not be greatly worried by excessive "slump" losses for the present.

Textile mills are also in an improved condition, cotton particularly having strengthened its position greatly recently. Raw cotton has suffered a relapse, due to an expected bumper crop, but mill products are showing an improved tone and producers are in better shape than for some time past. The shape than for some time past. The boot and shoe business has also improved considerably.

Agricultural Situation of Importance

of Importance

Fire and casualty men are not so closely affiliated with the agricultural situation, except for the farm departments, but they must closely follow this phase by reason of its vital effect on the entire nation. And here, they have reason for greater optimism than a month ago. At the opening of June, wheat had crashed to a new record postwar low and the future of the wheat farmer looked sorry. During the month, however, changes in crop prospects and a slight reaction from the phenomenal slump combined to bring the price back up 15 cents or more, so that the present crop should not be ruinous to the farmer and both agents and loss men can feel and both agents and loss men can feel easier as regards their farm business.

Investment Field in State of Flux

in State of Flux

Another striking development of the past month was the recovery in the stock market. After a May-June slump which carried all shares down to a new low for the year, the market slowly and steadily, without the urge of quantity speculation, returned to its previous high and is now opening July with a new peak. This is encouraging to the investment departments, as it enables them to recoup some of the imminent losses and, in some cases, has enabled the writing up of large additional profits. All in all, however, the business has come through the half year more fortunately than was anticipated earlier in the year. For July, it appears that there will be little change. For the middle and latter portions of the ensuing half year, there is less optimism, the "bear-ish" undercurrent not having been seriously surrendered to the "bulle" serio

ish" undercurrent not having been seriously surrendered to the "bulls" as yet, despite the bright half year just

James N. Elwood, for many years manager of the Rochester, N. Y. rating office, died Monday.

#### Amount Involved in **New Commission Rule**

There has been some speculation as to the amount of premiums involved in Central Western territory by the Western Union transferring the 20 percent commission class to 25 percent. Some agents have but little 20 percent business. A careful compilation shows that on the average the 20 percent class will run between 74. percent class will run between 7½ to 10 percent of the entire busi-

#### Virginia Agents' Convention Held

Keen Competition Makes Conference and Cooperation Imperative, Says President

#### STATE FUND IN OFFING

T. Garnett Tabb Elected President, Lilly, Stellwagen, Gandy and Reeves on Program

NEW OFFICERS ELECTED
President, T. Garnett Tabb, Richmond.
First vice-president, E. W. Kelley,
Bristol.
Second vice-president, W. A. Moore,

Alexandria.
Secretary-treasurer, Frank S. Blanton,
Farmville (reelected).

T. Garnett Tabb of Tabb, Brockenbrough & Ragland, Richmond, is the new president of the Virginia Association of Insurance Agents. He was elevated from the vice-presidency to this post at the association's annual convention in Alexandria last week.

Calvert R. Dey of Norfolk, retiring president, in his presidential address said that business seems to be on the verge of an unsettled condition. Competition for business is becoming keener and keener and the established companies and the many new ones are making drives for premiums from any source. "So," he said, "it behooves agents to bind themselves closer together in every way so that our principles and aims may not be engulfed in the mad scramble; for as individuals we can do very little."

#### Medium for Conference Urged

As conference and cooperation between agents and companies seems to have struck a snag for the time being, Mr. Dey voiced the belief that it is time for the established companies to stop and consider the situation seriously. "Surely," he added, "some medium should be found whereby companies and agents can confer on mutual problems for the good of both—if not through the National Board, then through some other means. The large number of new companies is beginning to cast shadows on the horizon and is a warning of approaching unrest."

Opposition to any form of compulsory automobile insurance was voiced in a resolution adopted by the convention, compulsory automobile insurance being the prevailing theme at the convention. Austin J. Lilly, general coursel of the Maryland Casualty, discussed the subject in an exhaustive manner. "The Development of Automobile Insurance," was treated by H. P. Stellwagen, assistant vice-president of the Indemnity of North America and the Alliance Casualty.

#### Expect State Fund Bill

Hope that the forthcoming general assembly of Virginia will see fit to pass the A. A. safety responsibility bill was voiced by Colonel Edward E. Goodwyn in presenting the report of the legislative committee. He said that a most efficient and capable committee on compulsory automobile insurance had been appointed by President Dey, and he recommended the appointment of a similar special committee to take care of the matter of state insurance on public buildings. It is practically certain, he said, that a bill providing for the creation of a fund for the state to carry its own insurance on public buildings including public schools as well will come up at the approaching session.

#### Virginia President



T. GARNETT TABB, Richmond Named as Head of Agents' Association at Annual Meeting

President Tabb announced that he will

appoint the committee without delay. Installment payment of premiums received but scant attention at the executive session of the convention. Prevailing sentiment was that this proposed method of the companies to collect automobile premiums would die a natural death. There was some discussion of

tomobile premiums would die a natural death. There was some discussion of the new general coverage contract. It was agreed that the new officers of the association should make a study of the plan and advise the membership as to the result of their inquiry. Some of the agents seem to be of the opinion that the commission arrangement under such a plan might not be altogether satisfactory.

#### M. S. Reeves Speaks

The convention reaffirmed action of the National association in declaring the National Union in violation of its principles for planting with financial institutions and appointing a multiplicity of agents in a single place.

Value of organization was stressed by Charles L. Gandy, president of the Alabama association. "If you have no local board in your home community, go home and organize one," he urged. Mr. Gandy told the agents that if

Mr. Gandy told the agents that if they did not think the branch office system was a menace they needed to walt: up. He reminded them that the National Union had appointed 97 agents in Birmingham alone.

#### Reeves for Fraternization

Matthews S. Reeves, manager of the southeastern department of the Liverpool & London & Globe, read a paper on "Understanding and Friendship" in which he hoped for the time when companies and agents will frequently conciliate and fraternize by conference. "A heart-to-heart talk," he said, "will go a long way to solve many problems that now confront us."

a long way to solve many problems that now confront us."

New committee chairmen appointed are: E. E. Goodwyn, Emporia, executive; H. B. Gray, Roanoke, membership; C. J. Duke, Portsmouth, legislative; Roger Clarke, Fredericksburg, conservation, and H. M. Woody, Petersburg, public relations.

#### Swigart Goes to Holland

Jacob P. Swigart of Chicago, special agent of the Michigan Fire & Marine in Illinois, is leaving this week for Holand. He will be accompanied by Mrs. Swigart and they expect to spend five or six weeks in that country, where Mr. Swigart was born.

#### No Action on Adjustment Bureau

NEW YORK, July 3.—Although the fire companies holding membership in the National Board are committed to the policy of centralized control in loss adjustments the country over, no move toward putting into effect the program agreed upon at the annual meeting in May has yet been taken by the committee on adjustments. It is not anticipated that anything will be initiated before early fall. During the next two months, managers will be upon their vacations, making the gathering of a committee quorum at this time exceedingly difficult.

#### Existing Organizations to Be Branches

The plan as determined upon last month contemplated the formation of "the Fire Companies Adjustment Bureau, a corporation without capital stock, organized for service, not profit; its membership to comprise the companies members of the National Board, to operate under the jurisdiction of the committee of adjustments of the National Board, which may delegate authority to an executive committee or a board of directors, to be selected from the mem-

bership of the committee on adjustments." Existing company adjustments bureaus will be incorporated into the new organization, and become branches, new offices being established "where expediency and good business judgment dictate."

#### Strong Manager Wanted

As the skeleton form of the new bureau has not yet been worked out, obviously no particular thought has been given to the selection of a general manager, other than to decide that he must be a man of strong executive ability, familiar with underwriting operations, and with a knowledge of policy obligations. It is recognized that an acceptable man would have to be liberally compensated, and there is no disposition to stint upon the score of salary.

the score of salary.

The initial effort of the new bureau, when formed, will be to deal with conditions in the metropolitan area, gradually extending its activities into other fields. It is variously figured that from five to ten years will elapse before a nationwide organization will be functioning.

#### Suit Brought Under Jewelry Floater Form

Mrs. Lois Dodge Manning, divorced wife of Horace E. Dodge of Detroit, has sued the Commercial Union for \$15,000 under a jewelry floater policy. The Capitol Underwriters Agency of Detroit issued the policy. The Commercial Union has denied liability. Mrs. Manning in her bill says that she insured the jewelry for \$72,850 prior to her marriage to Mr. Manning. On Sept. 28, 1927, according to her bill, she lost two pieces of jewelry, a diamond brooch worth \$1,200, a diamond bracelet valued at \$10,600. The remainder of her claim covers interest. According to the insurance agent on the night the jewelry disappeared Mrs. Manning had gone on a visit at Honolulu. When she returned to her home she found that her jewelry which she had left on a dresser had disappeared. The next day her husband brought the jewelry back to her and told her he had taken it to teach her a lesson. Mr. Manning told his wife that she should keep her jewelry in the bank vault. She claims, however, that the jewelry returned by Mr. Manning was short the two pieces. Mr. Manning vas short the two pieces. Mr. Manning sued for a divorce recently.

Admission to New Jersey has been secured by the **Export Indemnity** of New York.

#### New Jersey Scale Changed by Corroon & Reynolds

NEW YORK, July 3.—New Jersey agents of the Corroon & Reynolds companies have been advised of the adoption of a new scale of commissions effective July 1. The new scale, 15, 25 and 35 percent, according to a simplified risk classification, is the answer of the group to the recent action of the Eastern Underwriters Association companies in advancing New Jersey commissions. While the Corroon & Reynolds offices were not members of the E. U. A., they strictly observed its scale and held to general orthodox practices.

#### Des Moines New Board

A new local organization has been established at Des Moines entitled the Independent Board of Underwriters. George H. Olmsted has been elected president and Paul Van Slyke, secretary.

#### North Dakota Rating Law

A reasonable rating law was passed by the North Dakota legislature effective July 1. It gives the insurance commissioner power to investigate any complaint as to an individual rate. If he finds that this rate was compiled not in accord to the standards and practice usually followed in the state he can order a revision.

#### Premium Percentages in Central West

A calculation has been made from the comparative premiums in Western Union territory, published in The NATIONAL UNDERWRITER last week, putting the Peoples National, Baltimore American and National Liberty in the Western Insurance Bureau class instead of nonaffiliated. This, the managers argue,

is the true basis for comparison, as the three companies would be counted in the Bureau group last year. The reallocation of premiums and losses, therefore, putting the National Liberty group in the Western Insurance Bureau, is as follows, for the various items covered:

nonamilated. Inis, the managers argue	, (ered:		
19	27	15	28
Union         \$153,099,375           Bureau         47,135,495           Non-Affiliated         12,116,037	Losses 75,728,727 22,597,512 5,855,042	Premiums \$155,280,323 47,477,711 15,560,157	* 75,597,19 22,913,86 5,827,23
\$212,350,907 1928 premium gain over 1927—ail com Union 1928 premium gain. Bureau 1928 premium gain. Non-Affil. premium gain.	panies	2,180,	284 or 2.86 948 or 1.46 216 or 0.76
		\$5,967	284
Percentage of A	ggregate Prem	iums	1927 193
Union			
Bureau			
Non-Affiliated			



# \$50,000 thrown to the Winds

A few months ago a tornado struck an important manufacturing city in the middle west. One plant, which was seriously damaged, carried tornado insurance of \$265,000 with

How many agents are overlooking a golden opportunity to improve their service and add to their income by strengthening the weak spots in the insurance armor of their present clients? Our Field Men and Departmental offices will be

glad to cooperate.

the 90% co-insurance clause. When the loss was adjusted the assured was underinsured \$138,000 and collected \$50,000 less than the amount of his loss. To make matters worse, he had no tornado use and occupancy coverage.

FIREMAN'S FUND
HOME FIRE AND MARINE
OCCIDENTAL \*\*

FIRE . AUTOMOBILE AND MARINE . SAN FRANCISCO . NEW YORK . BOSTON . CHICAGO . ATLANTA

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38,275 2.8% 1.4% 0.7% 28.4%

1928 71.12 21.75 7.13

July 4, 19

#### Progress Being Made on Auto Body Reorganization

MANY PROBLEMS TO CONSIDER

Type of Men Undertaking Work Assures Success in Eliminating Loose Underwriting

NEW YORK, July 3.—Though the final report of the committee of 15 charged with preparing a plan for reorganizing the National Automobile Underwriters Conference has not been prepared, distinct progress in the general work continues to be made, and general confidence is felt that in due course the important task will be successfully accomplished. The conclusions and recommendations of the various sub-committees to which was delegated the treatment each of a particular problem are now being considered. The type of men engaged in the reform effort and the determination they manifest in its handling are guaranties that the work will be well done. All are men of high position in the business, and are

giving unstintedly of their time and energy in grappling with the task delegated them. They appreciate fully the importance of cooperative effort in the conduct of so important a division of underwriting as that of the automobile branch, and how essential it is that the business be conducted along lines that will fully meet changing conditions in the automotive industry, and at the same time prevent loose practices in writing automobile risks.

#### Patience Is Urged

While it is not expected that 100 percent cooperation be had, it is anticipated that the great majority of the offices will see the wisdom of associated effort for the betterment of the business as a whole. Patience on the part of those eagerly looking for the completion of the reorganization program is urged, assurance being given that every effort to expedite the work is being put forth.

#### Will Take a Boat Trip

A number of the members of the Western Union, who are planning to attend the annual meeting at Old Point Comfort, where the 50th anniversary meeting will be held, with a banquet Sept. 23, will go from Washington, D. C., to Old Point Comfort by boat.

#### Merit Rating, Installment Plan Big Kentucky Topics

BRING OUT MUCH DISCUSSION

Resolutions Provide for Conference With Actuarial Bureau, Reaffirm Belief in Idea of Cooperation

LOUISVILLE, July 3.—Merit rating in automobile insurance and the installment payment plan of paying insurance premiums were the two topics most often referred to at the meeting of the Kentucky Association of Insurance Agents, nearly every speaker having something to say, if only a little, on one or both of these points.

of these points.

George R. Ewald, president of the Union Central Bank, Louisville, speaking on "Financing Premiums on the Installment Plan," emphasized the need of getting a substantial down payment on any short lived proposition. He said that account of radios being obsolete in a year or so, better down payments are needed in sales of radios than many other lines. There was much discussion of this subject. The question was asked

whether or not it would not be possible to arrange all of an assured's policies so that he could pay so much a month on a budget system, to apply to all of them, instead of having several to pay at different times, and overlapping.

Frank Brown, president of the Louis-

Frank Brown, president of the Louisville Board, discussing the installment premium plan, held that it is not a promissory note but an agreement, under which cancellation is merely a form, when the agreement is violated. He was asked whether or not there might not be danger of the insured confusing interest with the insurance rate, and thus claiming he is charged more than the legal insurance rate. He said that is not a part of the written policy. Rates are based on cash payment, or lowest possible cost.

sible cost.

W. H. Heckrotte of Rough Notes
Company spoke on system and its need
in the office. He opposed the idea of
installment sales of insurance, contending that it is merely a fad that will lead
to trouble.

C. E. Rickerd, advertising manager of the Standard Accident and president of the Insurance Advertising Conference, spoke on advertising, with graphic charts to describe direct advertising ideas. His main theme was that advertising opens the way for a personal follow-up, and enables the agent to reach many people a day, whereas he is limited to about ten calls a day in person.

#### Resolutions Adopted

Several resolutions of interest were adopted. One authorizes the president to name a conference committee of five to meet with the Kentucky Actuarial Bureau officers for discussion of rate matters in order to secure advance information of changes to be made. Another calls on members to observe closely the classification, under which dues are paid into the association on a sliding scale, it being left to the agent's honor to pay dues on the volume of business he does annually.

Still another referred to the failure of the National Board to function under the conference agreement. The Kentucky agents reaffirmed their belief in the principles of "conference and cooperation" and recommended to members that they continue to support those companies whose practices are in accord with the principles of the National as-

ociation.

#### Rearden Holds Office for Only Five Minutes

W. B. Rearden of Chicago, executive special agent at the United States head office of the Netherlands in Chicago, was elected most loyal gander of the Illinois Blue Goose at the annual meeting at Lake Delavan, Wis., but held the office for only five minutes. As soon as he was elected Mr. Rearden expressed his appreciation for the honor but announced that he would have to resign his position, as he is shortly to take up his residence in Los Angeles, where he has formed a new insurance connection. Mr. Rearden was formerly state agent for the Camden Fire and is one of the well-known field men of the central west. Following Mr. Rearden's resignation as most loyal gander, Lea Lewand of the Western Adjustment in Chicago was chosen for the vacancy.

#### Tuscola, Ill., Agent in Insurance for 50 Years

A. A. McKee of Tuscola, Ill., who founded his agency June 15, 1879, and has been continuously engaged in business for 50 years, is confined to his home by illness. His recovery is being made slowly. He is one of the best known men of his section, being head of the McKee Insurance Agency. Harry King, who is one of the partners, has been connected with the agency since September, 1907.

**INCORPORATED 1799** 

## PROVIDENCE WASHINGTON INSURANCE COMPANY

of Providence, R. I.

Capital, \$3,000,000

Net Surplus, \$12,580,410

INCORPORATED 1832

## VIRGINIA FIRE AND MARINE INSURANCE COMPANY

Richmond, Va.

Capital, \$500,000

Net Surplus, \$1,325,921

INCORPORATED 1928

## Anchor Insurance Company

Providence, R. I.

OWNED AND OPERATED BY THE PROVIDENCE WASHINGTON INSURANCE CO.

Capital, \$500,000

Net Surplus, \$818,557

#### WESTERN DEPARTMENT

175 W. JACKSON BLVD.

CHICAGO

J. R. CASHEL, Manager



Favored by many property owners because of its

Good Name

# NEWARK

FIRE INSURANCE COMPANY

NEWARK-NEW JERSEY

T. L. FARQUHAR, President

WESTERN DEPT. CHICAGO LAW and HAMILTON, Managers

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#### VIEWED FROM NEW YORK

KINGAN SUCCEEDS H. W. GRAY

Henry W. Gray, United States manager of the London & Lancashine and head of its group of companies in this country, is retiring from the service, though he will continue as president and director of the London & Lancashire Indemnity and a director of the Orient and Safeguard. He is succeeded by Gilbert Kingan, who has been assistant to the manager. Robert W. Thomas has been appointed agency secretary of the office. Charles Hendry, general manager from the home office, has been in this country for the last few weeks and has arranged for these transfers. Mr. Gray country for the last few weeks and has arranged for these transfers. Mr. Gray succeeded A. G. McIlwaine as United States manager in April, 1926. He has been connected with the organization since 1893. He is one of the popular underwriters of the country.

Mr. Kingan's entire service has been spent with the London & Lancashire, partly at the home office and for the last three years with the Hartford as assistant. With the London & Lancashire are associated the Law Union & Rock, Orient and Safeguard.

Mr. Thomas has been connected with the London & Lancashire since he graduated from Trinity College 15 years ago.

uated from Trinity College 15 years ago. He becomes vice-president of the Orient and Safeguard.

P. Iremonger, who has been New York City manager, is resigning as local secretary but will continue as vice-president of the Safeguard and as a director of that company, the Orient and the London & Lancashire Indemnity.

Joseph T. Goeller has been appointed local secretary in New York. In succession to Mr. Iremonger as vice-president of the London & Lancashire Indemnity, Worthington W. Smith has been appointed. Mr. Goeller and Mr.

Fire.

Hail.

Tornado.

Earthquake.

Profits and Commissions.

Riot and Civil Commotion.

Rents, Rental Values.

Sprinkler Leakage.

Use and Occupancy.

Explosion.

Smith have been connected with New York office for some time.

COMMENT ON RATE MACHINERY

Having concluded its examination of the New York City division of the state fire insurance rating organization, the New York department finds that "aside New York department finds that "aside from risks rated as sprinklered there has been a substantial improvement in the accuracy of the schedule rating computations since the last previous examination. The present examination shows an indicated percentage of erroneous schedule rates of about 7 percent, whereas for previous examinations the ratio was nearly 14 percent."

Regarding the rating of sprinklered

Regarding the rating of sprinklered risks, the report states that while the risks, the report states that while the percentage of erroneous ratings was large, nearly 42 percent, it was the result in considerable degree of "the practice of the automatic sprinkler department of adopting so-called office rules" affecting the computation of rates affecting the computation of rates which were not filed with the superintendent of insurance as required by law, and rates computed in accordance with such unfiled rates were counted as erroneous. The examiner states that a similar condition was disclosed by the last previous examination and recom-mends that in the writing of sprinklered risks the rating organization be required to conform with the law. The practice of making reratings

only upon application was criticized by the examiner because it permits the accumulation of large numbers of out-standing rates computed under obsolete rating rules and schedules which are entirely out of harmony with the cur-rent rating rules and schedules. Many of the outstanding rates are from 15 to 25 years old and were computed

under schedules long since discontinued and superseded.

At the same time the department completed its examination of the Syracuse pleted its examination of the Syracuse division of the state rating organization, its comment being that "while there has been considerable improvement since the last previous examination in the accuracy of rates computed under the uniform schedules, the percentage of erroneous ratings is still very high, about 16 percent." The department recommends that greater care be exercised in making surveys in future and that a mends that greater care be exercised in making surveys in future and that a comprehensive system of rechecking schedule rates be adopted. Criticism is also directed by the examiner to the method employed in computing exposure charges on frame row risks; to the rule governing the writing of use and occupancy, and to the rules relating to the rating of idle plants. Failing to discover any measurable difference in the hazard of unprotected risks located in the different counties of central New York, the report urges that the rating organization "be required to discontinue its county" "be required to discontinue its county rate differentials unless it can justify

#### NEW RULE ON CELLULOSE FILMS

them as reasonable.'

Following the Cleveland hospital catastrophe of this spring and a similar fire in an Albany hospital a year ago, a special committee was appointed by special committee was appointed by Acting Governor Lehman of New York to investigate the hazard attendant on the use of cellulose nitrate x-ray films in institutions. The state public health council has now adopted a rule amending the apprison seeds effective Section. ing the sanitary code, effective Sept. 1,

"The sale or distribution of cellulose nitrate film for x-ray purposes is hereby prohibited."

The action of the council has the effect of law outside of New York City. It is expected similar action will be taken there by the fire department.

The special committee found that the use and subsequent storage of cellulose

nitrate film in institutions caring for patients or other inmates constitutes a serious danger to health and life.

HENDRY GIVES DINNER

Charles Hendry, general manager of the London & Lancashire at the home office, who has been in the United States for the last few weeks arranging for the change in administration, sailed 

Another heavy loss on a building in course of construction involves the 6 and 10-story apartment house on Jerome avenue, corner of 164th street, in New York City. The loss will run \$1,000,000. The fire wrecked the structure and ruined it. It was six stories non-fire-proof on the Jerome avenue side and four stories fireproof with six stories non-fireproof on the opposite side. The insurance is as follows:

non-fireproof on the opposite side. The insurance is as follows:

Scot. U. & N. \$50.000 Impor. & Ex. 20.000 Phoenix, Ct. 75,000 Newark Fire 40.000 Great Amer. 75,000 Mohawk ... 25,000 Springfield .. 75,000 Royal .... 75,000 Am. Alliance 40,000 Mech. & Tr. 20,000 Northn, Lon 75,000 Washington. 15,000 Harmonia ... 75,000 Caledonian .. 50,000 Nat. of Conn. 60,000 United States 40,000 State of Pa. 40,000

#### BROKERS ELECT OFFICERS

Officers elected at the recent annual meeting of the Fire, Marine & Liability Brokers Association of New York City were as follows: President, Raymond P. Dorland; first vice-president, William Schiff; second vice-president, Charles L. Bussing; treasurer, Carlton O. Pate; secretary, Berthold M. Harris. To fill the vacancy on the board of directors created through the death of John A. Eckert, Robert H. Goffe was selected.

## NIAGARA FIRE

## **INSURANCE COMPANY**

95 Maiden Lane Automobile. **NEW YORK** 

OTHO E. LANE, President

Marine (Inland and Ocean.) All Risk Furs and Jewelry. Aircraft Property Damage. Fine Arts. Installment Floater. Merchandise by Motor Truck. Parcel Post, Registered Mail.

Surgical Instruments.

Tourist Baggage.

Established 1850

## MARYLAND INSURANCE CO.

Owned and Operated by Niagara

of the B. Dut

July 4

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President Dorland named as members of the general committee for the new year: Raymond P. Dorland, chairman, exofficio, Davis, Dorland & Co.; Malcolm B. Dutcher, Frank & DuBois; Alexander Heid, John A. Eckert & Co.; Reuben E. Kipp, DeLanoy, Kipp & Swan; Frederick S. Little, R. C. Rathbone & Son; Frank A. Mannen, Marsh & McLennan; Arthur M. Murray, Francis C. Carr & Co.; George P. Nichols, Gaines, Silvey & Nichols; Charles S. Rosenweig, Stephens & Co.; William Schiff, Schiff, Terhune & Co.; F. D. P. Stewart, Stewart, Hencken & Will; Lyman E. Thayer, Brown, Crosby & Co.; John W. Thomas, John W. Thomas; L. A. Wallace, Johnson & Higgins. son & Higgins.

#### APARTMENT HOUSE FIRES

Serious fires in three large apartment houses in New York City within as many weeks is causing considerable uneasiness among local underwriters. The buildings were all in process of completion and in each case the insurance loss is sure to be heavy.

#### ASSURED PAID BROKER

New York has gone over to the same rule followed in most other states in regard to payment of premiums to brokers. That state was one of the few that held to the logic of the rule that the insurance broker is the agent of the insured. Other states have held that where a company intrusts a policy to the broker for delivery, and the assured pays the broker, the assured is safe whether the broker pays the company

or not. This rule has now been adopted by the appellate division of the su-preme count in New York, in the case of Spoehr Bros. vs. General Accident. The General Accident delivered a public liability policy to the broker who had an open account with the branch office. an open account with the branch office. The assured paid the broker, but subsequently the company demanded payment direct. The assured paid direct in order to prevent the cancellation of the insurance, and then brought suit against the company for the recovery of the duplicate payment. The judgment of the appellate division is in favor of the assured.

#### INSURANCE STOCK COMMENT

Commenting on the insurance stock market, Gilbert Elliott & Co. of New York in their latest circular letter said in part: "Strength in the America Fore dominated the market. In sympathy with Continental and Fidelity-Phenix, which moved up to 88 and 102 respectively on the 'big board,' Niagara advanced steadily to a new high above 200, a gain of 15 points. Similarly Fidelity & Casualty, control of which is also being acquired by Continental and Fidelity-Phenix, sold up sharply to 223 for a gain of 13 points.

for a gain of 13 points.

"Hartford stocks displayed a better tone with Aetna Fire, Aetna Life, Automobile and Phoenix all closing higher. An increased demand for Springfield Fire & Marine resulted in a net rise of 10 points, while Home and Carolina both recovered a part of their recent losses."

#### **NEWS OF THE COMPANIES**

Im L. fill

> New Seattle Company With \$600,000 Capital to Start Writing Sept. 15-S. G. Thompson to Be President

SEATTLE, WASH., July 3.—Formation of a \$600,000 stock fire company to be known as the Washington Fire & Marine, which is scheduled to start writing business Sept. 15 has been announced by Stuart G. Thompson of the Thompson-Elwell Company, chairman of the organization committee of the new company. Other members of the organization committee include E. the new company. Other members of the organization committee include E. W. Campbell, vice-president of the Duget Sound Savings & Loan Association: George E. Morford, president of F. W. Keen Company; Walter Draham, vice-president Olympia National Bank; Charles F. Clise, head of the Securities Mortgage Company; P. S. Brown, Brown-Jeklin Company; James O. Gallagher, vice-president Pacific Fruit & Produce Company; E. A. Strout, Jr., of Smith, Strout & Eddy; A. G. Pringle Ballargeon, Winslow & Co.; S. L. Savidge, William O. McKay, John E. Burkheimer and J. Arthur Younger. While no officers or directors have yet been selected it is generally understood that Mr. Thompson will head the

yet been selected it is generally understood that Mr. Thompson will head the new company and Irvin W. Elwell will be vice-president. The organization committee plans eventually to build a \$1,000,000 company, but has decided to limit the original stock issue to \$600,000. Of this amount \$500,000 has already heen subscribed and the other \$100,000. been subscribed and the other \$100,000 will be disposed of in small blocks. The company has been organized and subscription expense. tion expense.

#### Caledonian-American

Caledonian-American has inreased its surplus to produce in the semi-annual statement a combined policyholders' surplus of approximately \$1,200,000. The action was taken by directors of the Caledonian. The Caledonian-American was started in 1897 as a running mate for the Caledonian. It has had a very excellent record. The Nov. 7-9—California Agents, Oakland.

LAUNCH WASHINGTON F. & M. | company will now be in a much stronger position because of its additional surplus.

#### Kansas City Fire & Marine

The first meeting of the incorporators and directors of the Kansas City Fire & Marine, recently organized by R. B. Jones & Sons and associates, was held this week. Officers, directors and standing committees were elected. The company will start writing not later than Sont 1.

#### John J. Eberhardt Dead

John J. Eberhardt, veteran local agent and prominent citizen of Salina, Kan., died in Battle Creek, Mich., June 28, following an operation. He took an ac-

tollowing an operation. He took an active part in the Kansas Association of Insurance Agents and rarely missed a meeting of the organization.

Besides his fire insurance agency, in which George T. Fisher has been associated with him for the past 18 months, Mr. Eberhardt was manager for northwestern Kansas for the Massachusetts Mutual Life.

#### CONVENTION DATES

July 10-11—Ohio Field Clubs, Cedar Point. July 10-11—New England Agents, Bret-ton Woods, N. H. July 12—West Va. Fire Underwriters Assn., White Sulphur Springs, W. Va. July 18-19—Iowa Field Men, Lake Okoboji. Aug. 22-23—Pennsylvania Agents, Al-

-Iowa Agents, Fort Dodge. Sept. 3-9—liowa Agents, Fort Dodge. Sept. 9-Michigan Agents, Detroit. Sept. 9-11—International Claim Association, Hot Springs, Va. Sept. 10-13—National Association of

Insurance Agents, Detroit.
Sept. 17-19—Insurance Commissioners
Convention, Toronto.
Sept. 23-25—Western Union, Old Point

Sept. 23-25—Western Comfort, Va.
Sept. 24-26—Blue Goose Grand Nest,
San Francisco, Cal.
Sept. 30-Oct. 5—National Safety Congress, Chicago.
Sept. 30—Casualty Conventions, White
Sulphur Springs.
Oct. 3-5—Western Insurance Bureau,
Briar Cliff, N. Y.
Briar Cliff, N. Y.

## NEW HAMPSHIRE FIRE INSURANCE CO. AND AFFILIATED COMPANIES



A GROUP OF STRONG COMPA-NIES with record of many years of service to the agent, at all times in a cooperative spirit, and well earned reputation for prompt discharge of policy obligations in a broad and liberal manner, a basis of management serving to cement a happy relationship with our agents as the years roll on

#### NEW HAMPSHIRE FIRE INSURANCE CO. MANCHESTER, N. H.

**ORGANIZED 1869** 

GRANITE STATE FIRE INSURANCE CO. OF PORTSMOUTH, N. H.

**ORGANIZED 1885** 

PACIFIC STATES FIRE INSURANCE CO. OF PORTLAND, ORE.

**ORGANIZED 1909** 



I am constantly calling on Republic agents who are unusually successful in selling automobile insurance. I would be glad to tell you about their plans and methods for getting the business. Drop me a line.

The Republic Special

An "Exclusive Automobile Writing Company"

Chicago Office A 1915 Insurance Exchange Bldg.



## GEO. M. EASLEY AND COMPANY GENERAL AGENTS—DALLAS

"HE PROFITS MOST WHO SERVES BEST"

Boston Ins. Co.
Pittsburgh Underwriters
Patriotic Insurance Company
Federal Ins. Co. of Jersey City
Globe Indemnity Co. New York
Fire & Marine Und. Agency of Automobile Ins. Co. of Hartford

## National Inspection Company

This corporation reports on the underwriting aspects of heavy manufacturing and mercantile properties throughout the following states:

Michigan Wisconsin Indiana Illinois Iowa Nebraska Missouri

Kansas Kentucky

Managed by

H. B. Chrissinger 176 West Adams St., Chicago, Ill.

R. L. Thiele

#### Separation Plans to Be Pushed on Pacific Coast

CALL AGENTS TO CONFERENCE

They Insist That Commission Question Be Taken into Consideration-Los Angeles Rules Approved

SAN FRANCISCO, July 3.—Contingent on clearing agencies, Pacific Board mem-bers adopted a new and higher schedule bers adopted a new and higher schedule of commissions for local agents at a meeting Tuesday in San Francisco. A delegation of local agents met with the separation committee of the board Monday and agreed that the plans outlined, coupled with the proposed new commission rates, would be approved and were feasible. The schedule is practically the same as the new rates recently approved same as the new rates recently approved. sion rates, would be approved and were feasible. The schedule is practically the same as the new rates recently approved for the Los Angeles agents. This is a graded scale of 15, 20, 25 and 30 percent. The new schedule, while approved at the meeting, must now be signed by the members. This will take several days, so the new plan will not be attempted much before July 15 or 20. It is expected that this scale will assist in bringing about separation, as most of the non-board companies have profferred excess commissions and were generally paying them throughout the coast territory.

SAN FRANCISCO, July 3.-Within the next week or two the member com-panies of the Pacific Board will attempt to bring about separation in this terri-tory. Officially the action will not be taken as an organization. The member companies have agreed to take action individually, through the medium of an agreement entered into between the agents and the companies represented.

#### Hold Conference With Agents

The so-called agreement has been approved by attorneys and the executive committee of the board on recommenda-tion of the sub-committee in charge of the subject. Before taking further steps, after this approval, the representatives of the California Association of Insurance Agents were invited into conference. The agents met in San Francisco Sunday to obtain an expression of opinion for presentation before the companies, committee. panies' committee.

The board committee also determined to await another report from its committee on commissions before proceed-ing any further on the plan.

#### Agents Want Commissions Considered

The agents of California have in-sisted that the matter of commissions be made a part of any program of exbe made a part of any program of ex-clusive board company representation and apparently the committee has taken cognizance of this position. The Cali-fornia Association of Insurance Agents adopted a resolution calling for efforts to obtain a differential of commissions between policy-writing and non-policy-writing agents at the convention held in writing agents at the convention held in Bakersfield last November and the organization officers have consistently maintained that position. It seems to be a foregone conclusion that the agents continue to hold that attitude. While sympathizing to a certain extent with the companies and their problems the agents are apparently determined to hold to their demand for some revision of the present commission scale.

#### New Los Angeles Scale Approved

The new commission scale and metropolitan plan of the Los Angeles territory has been approved by the members of the Los Angeles Fire Insurance Exchange. This, it is believed, will somewhat reduce the unsatisfactory conditions existing heretofore, as far as the companies are concerned. The new scale of 15, 20, 25 and 30 is higher than the commissions paid to San Francisco brokers and no change in the compensabrokers and no change in the compensa-tion to the latter is contemplated. Agents throughout California have been heard throughout California have been heard to criticise the commissions paid to San Wednesday morning.

#### Eighty-five Years



H. H. GLIDDEN

H. H. Glidden, who for many years was manager of the Chicago board, is celebrating this week his 85th birthday anniversary. Mr. Glidden retired a few years ago and is making his home in Highland Park, Ill. He was largely responsible for building and harmonizing the present local organization in Chicago, having taken the managerial position in 1894. He is a man of unusual ability and capacity. Mr. Glidden was one of the main factors in promoting the Insurance Exchange building in was one of the main factors in promoting the Insurance Exchange building in Chicago so that it could house the insurance interests. He was always held in the highest esteem by those who came in contact with him. J. S. Glidden, assistant manager of the Chicago Board, and Henry L. Glidden, the well known adjuster, are sons, both interested, therefore, in insurance work and are very successful.

Francisco brokers on the ground that the brokers have not the same costs of doing business. While it is true that these brokers do not have the expense of writing policies, etc., they maintain offices throughout the city and they contend that their overhead is as much, if not more, than that of a country agent. agent.

#### Reciprocals Elect Officers

At the annual meeting of the National Association of Automobile Inter-Insurers, W. E. McKee of the State Auto of Indianapolis was elected president; Edwin F. Diecke of the Suburban Auto of Lombard, Ill., vice-president, and H. G. Rockwood of the Continental Auto, Springfield, Ill., secretary and treasurer. W. H. Crum of Springfield, Ill., continues as general manager.

#### Fire Hits Wealthy Homes

There was a \$1,000,000 loss in the Mill Valley community across the bay from San Francisco this week where there are many expensive residences. A number of wealthy people of San Francisco live in this town of 10,000 people. There was inadequate water supply. The fire started in the wealthy residential section Tuesday afternoon, destroying many homes. It was still burning

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#### Annual Outing Held By Wisconsin Field Groups

**OFFICERS** ELECTED NEW

Hoskins Heads Fire Prevention Association-Rudd and Miller Named Presidents of Field Clubs

EGG HARBOR, WIS., July 3.—More than 200 attended the annual meeting of the Wisconsin field men, held at the Alpine resort here last week. The Wisconsin State Fire Prevention Association at its annual meeting elected R. E. Hoskins, Dodgeville, Wis., Keystone Underwriters, president. Walter W. Sukow, Travelers Fire, was elected vice-president, and Clarence R. James, Aetna, was re-elected secretary and treasurer. Paul E. Rudd, Aetna, was elected president of the Wisconsin Fire Underwriters Association, Union organization, at its annual meeting. C. E. Hayne, Continental, was elected vice-president, and Edward M. Quinn, Commercial Union, secretary-treasurer. F. W.

union, secretary-treasurer. F. W. Edler, New York Underwriters; C. W. Hutchinson, Pennsylvania Fire; G. F. Risley, Rochester American, and A. H. Ely, North America, were named to the executive committee of the association.

#### Wilbur Guest of Honor

In attendance at the meeting as guests of honor were C. R. Wilbur, vice-president of the America Fore companies; E. C. Smith, assistant western manager of the Sun; and Alfred E. Yeaton, western general agent for the New Hampshire. C. S. S. Miller, publicity director for the North British fleet, addressed the Union field men his subject being

for the North British fleet, addressed the Union field men, his subject being diversification of business for the agent. Henry E. Miller, Concordia, was named president of the Wisconsin Insurance Club, Bureau field man's organization. Fred J. Dudley, East & West, was named vice-president, and J. H. Harbeck, Dubuque, secretary-treasurer.

H. Harbeck, Dubuque, secretary-treasurer.
H. S. Norton, superintendent of agencies, American of Newark; W. D. Williams, manager western department, Security of New Haven; P. O. Fish of the Fish & Schulkamp Agency, Madison, Wis., and Rudolph Belcher, general manager, Western Insurance Bureau, were guests at the meeting.

#### Four Tie at Golf

One of the chief features of the entire meeting was the golf tournament under the direction of C. P. Helliwell, general agent for the New Brunswick. More men competed in the tournament this year than in the past, and there were four winners in a tie for the award for the blind bogey tournament he had arthe blind bogey tournament he had arranged. They were L. R. MacDonald, National Union; C. R. Marquardt, National Union; Fred Barnes, North British & Mercantile, and E. H. Ryan, North America. Mr. MacDonald was the winner of the prize in this group.

W. L. Phelps of the Wisconsin Inspection Bureau took the prize for the low gross score and Walter W. Sukow, Travelers Fire, was awarded the price for the lowest number of putts, while William A. Taylor. Yorkshire, took the

William A. Taylor, Yorkshire, took the consolation award.

#### Gillen in Charge of Arrangements

Mrs. J. E. Snyder, wife of John E. Snyder, Homeland, and H. P. Schultz, Pennsylvania Fire, won the prize for the elimination waltz at the dinner

Arrangements for the event were in charge of William I. Gillen, Continental, general chairman, and C. R. James, representing the Wisconsin Fire Underwriters; L. W. Saider, Concordial and G. A. Strasen, American, representing the Wisconsin Insurance Club, and George Hannan, manager of the Wisconsin Audit Bureau.



PAUL E. RUDD Elected President of Wisconsin Fire Underwriters Association

#### **Eight-Payment Finance** Plan Now Announced

An eight-payment finance plan was announced at the annual meeting of the stockholders of the Premium Discount Corporation at Rochester, N. Y. The president, James H. Farrell, Jr., reported that the company had financed \$70,000 in premiums during the first year ending June 1. In all 160 Rochester, Buffalo and vicinity agents and brokers are now using the P.D.C. system, it was stated.

Officers were reelected as follows:
President, James H. Farrell, Jr.; vicepresident, Follett L. Greeno; treasurer,
Ernest A. Paviour. All are Rochester
insurance men. Messrs. Farrell and Paviour are connected with one of the oldest agencies in the state, R. S. Paviour & Son. Mr. Greeno is president of the Underwriters Board of Rochester.

The discount company maintains offices in Rochester and Buffalo, and does a state-wide business of financing automobile, fire and other kinds of insurance premiums. The company claims to have been the first one of its kind in this field in its state.

#### Issues Insurance Almanac

The "Weekly Underwriter," 80 Maiden Lane, New York, has issued the 1929 edition of the "Insurance Almanac," which now comprises 1,400 pages. It is one of the best reference books in existence. There are features of all sorts regarding insurance, companies, organizations, people in the business, and so on. It should be on the desk of every insurance man. The price is \$3. price is \$3.

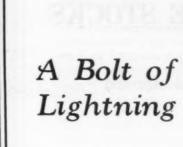
#### New Rates in Wichita

New Rates in Wichita

The Kansas Inspection Bureau published new card rates for the city of Wichita under date of July 1, this being the second city in the state for which the card rates have been adopted, Kansas City having been published in this form two years ago. In view of extensive improvements in the Wichita fire department and waterworks the past two years it was possible for the city to retain its former National Board classification of third class in spite of 50 percent increase in population since the former rate were published.

Miss Margaret Kelley of Sapulpa; Okla., is visiting Europe. She is E. R. Unger's capable office assistant.

#### Heads Field Club





July and August are full of lightning and thunder storms. It is well to point out the lightning feature of the fire policy at this

BOLT of lightning strikes quickly and with terrific force, causing great destruction of property.

There is never any warning as to when or where lightning will strike next.

Lightning rods offer some measure of safety but the only sure protection lies in a sound fire insurance policy which includes provisions for lightning damage.

Local agents of the Harmonia are providing absolute financial safety from lightning damage through Harmonia fire insurance policies.

WILFRED KURTH, PRES.

#### HARMONIA

Fire Insurance Company NEW YORK OFFICE 59 MAIDEN LANE





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Central West 50
Chicago F. & M. 10
City, N. Y. 100
Colonial 10
Commonwealth 100
Consti. Indemnity 10
Con Casualty 10
Continental 10
Excelsior 5
Fagle, N. 100
Fild. & Cas. 25
Fid. & Dep. 50
Fid. & Cas. 25
Firemen's Fund 25
Firemen's Fund 25
Firemen's Fund 25
Firemen's N. J. 10
Franklin 25
Gen. Cas. & Sur. 50
General Surety 25
Georgia Cas. 5
Gleos & Rutgers 10
Globe & Rutgers 10
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Great Amer. Cas. 25
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Great Lakes 10
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\*Nation Fire Rts., 430-435. †Travelers Rts., 220-235.

#### FREDERIC WILLIAMS NOW A GRANDFATHER

Frederic Williams of Denver, secretary of the Rocky Mountain Fire Underwriters Association, made a trip to Boulder, Colo., this week on a very important mission that had nothing particularly to do with his official duties. He paid his first visit to and got acquainted with his new grand daughter, the daughter of his own daughter, Mrs. Stanley Alford.

#### North Carolina Tornado Rates

As soon as a meeting of the executive committee of the Southern Tornado Insurance Association can be held President A. R. Phillips will lav before it the communication recently received from Commissioner Dan C. Boney of North Carolina complaining of tornado rates in his state. These he declared to be unwarrentedly high, claiming that the loss ratio on the business in the state last year was but 14.8 percent.

#### Rolker 50 Years in Business

John G. Rolker, Baltimore manager of the Great American, has just celebrated his 50th anniversary in the insurance business. Mr. Rolker began his career in June, 1879 in the local office there of the Agricultural. About 1880 he went with the old Germania Fire he went with the old Germania Fire and was with the old Germania Fire and was with that company for 38 years, rising from clerk to associate manager, and in 1900 he was made manager, which position he retained after the company changed its name to the National Liberty.

In 1922 he became manager of the

Great American's Baltimore office. Mr. Rolker's son, Irving, is associated with him in the office.

## **Insurance Stocks** Bank Stocks

Active Markets in

Miller Investment Company

120 So. La Salle St., Chicago

Telephone Franklin 7888

## INSURANCE STOCKS

Bought-Sold-Quoted

P.W. CHAPMAN & CO. INC.

115 W. Adams St. CHICAGO

**42 Cedar Street** 

#### SPECIALISTS INSURANCE STOCKS

Quotations and Statistics gladly furnished.

#### CHARLES SINCERE & COMPANY 231 So. La Salle St.

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**MEMBERS** 

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Refer to Quotations that appear regularly in THE NATIONAL UNDERWRITER

#### INSURANCE STOCKS

BOUGHT -- SOLD -- QUOTED

SPECIALISTS FOR 18 YEARS

Inquiries Invited

H. W. CORNELIUS & CO.

105 So. La Salle St.

**Telephone Randolph 9168** 

Chicago

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#### AS SEEN FROM CHICAGO

#### TAPPER TAKES NEW POST

R. W. Tapper, who has been appointed Cook County manager of the Rhode Island group, has assumed his new duties. Starkweather & Shepley were general agents for the Rhode Island, Merchants and Guaranty. In addition Mr. Tapper will have the Union of Paris which was not represented by Starkweather and Shepley. Starkweather & Shepley will continue as local agents of the three companies they have been representing as general agents. Mr. Tapper will thus leave the field service. Richard E. Schramm returns to Chicago and will cover northern Illinois for these and will cover northern Illinois for these

#### GREAT LAKES LEAVES BUREAU

The Great Lakes of Chicago, which during the administration of Harold W. Letton as vice-president, who is also manager of the Netherlands, belonged to the Western Insurance Bureau, has now recipied and its operating on a population. resigned and is operating on a non-affiliated basis. The Great Lakes since Jan. 1 has been under its own manage-

#### EFFECT OF REDUCED RATES

With the decrease in rates on dwell-With the decrease in rates on dwellings and some other classes in Illinois, Iowa and Nebraska, and the decision to reduce rates on brick buildings in Minnesota and South Dakota, local agents find their income cut down, although it may be possible to rescue some of the business that has been going to outsiders and to induce some that have not carried insurance to get into some of the business that has been going to outsiders and to induce some that have not carried insurance to get into the ranks. The reduction in rates, it is understood, is not yet ended as the actuarial committee is carefully studying the entire situation to see what further action tray he taken. the entire situation action may be taken.

#### SEEKS UNION MEMBERSHIP

The American General, with office in the Bankers Mortgage building at Houston, Tex., has applied for admission to the Western Union. Secretary T. G. Barrow is the underwriter. J. L. Wortham & Son are managers. The company intends to operate in Okla-

T. G. Barrow, secretary and treasurer, and E. R. Barrow, secretary, had a number of years' experience with the fire insurance rating bureau in Texas.

T. G. was formerly with the Great American for five years as special

#### END MIDLAND CLUB DRIVE

President Clarence A. Rich of the President Clarence A. Rich of the Midland Club, Chicago, reports that the membership drive completed last week, in which the insurance group played a prominent part, surpassed the expectations of the officers. The club now has a membership of close to 3,000, a large percentage of which is composed of leading insurance men. The insurance group, headed by Henry B. Bale, manager for the Standard Accident, accounted for its quota. As the result of this drive, the the Standard Accident, accounted for its quota. As the result of this drive, the club is placed in a position financially which assures its permanence and will enable the carrying out of plans for expansion of the club facilities. It is proving a popular gathering place for Chicago insurance men. Numerous insurance organizations have selected it as their official headquarters.

#### STATE PRACTICE IS ATTACKED

Judge Fitch of the circuit court in Chicago has taken under advisement the question whether H. U. Bailey, who recently retired as director of trade and commerce in Illinois, could legally employ private attorneys to aid him in the winding up of defunct insurance companies. W. Rufus Kendall, attorney for the Pioneer Fire of Chicago, and Samuel Levin, Chicago attorney, who

represents claims of approximately \$50,-000, contested the payment of \$18,500 to private attorneys in the liquidation of the Marquette National Fire. The court will also rule on the legality of certain payments for appraisers and for certain payments for appraisers and for a special deputy receiver which were authorized by Mr. Bailey when he was director. Arguments were made Saturday before Judge Fitch. The attorneys attacked the fees paid to H. J. Bailey, brother of the former director, as special deputy liquidator. They totaled \$1,000 a month for the first five months of the receivership and \$700 a month for the remainder of the time that H. U. Bailey was director.

The Automobile Superintendents Club of Chicago held its annual golf tournament at the Mohawk club, Bensonville, Ill., last week. J. M. Japenga of the Western Automobile Underwriters Conference repeated his feat of last year and was the low net winner. He also won the low net gross trophy which was presented by W. S. Levens & Co, but must be won three times to gain permanent possession of it. A. M. Wägner of the Hanover Fire came second in low net score. Others winning prizes placed in the following order: R. Preucher, Westchester; L. Ollmert, Automobile; F. C. McDiarmid, Aetna; W. H. Cuthbertson, North America; J. W. Burden, Hartford Fire; R. E. Dixon, Fire Association; J. E. Guy, America Fore, and Karl Weipert, London Assurance. The Automobile Superintendents Club

#### TENINGA HAS FAVORABLE VOTE

Al. J. Teninga of Teninga Brothers, who are operating an agency in the Roseland district in the southern part of Chicago, has received approval as a Class 1 member of the Chicago Board, his application having been favorably voted on by the membership committee. Mr. Teninga is well known in the insurance district and is second vice-president of the Illinois Association of Insurance Agents. His application will Insurance Agents. His application will now be voted on by members. All the proposed amendments having been voted on by the members regarding change in commissions were passed with a large majority.

#### WILL BROADEN INVESTMENTS

The new Illinois investment law applying to fire and casualty companies will considerably broaden the field for investments. Companies can now invest in preferred and common stocks provided there is a four-year dividend record. Heretofore Illinois companies have been much restricted in their investment, program allowed under the vestment program allowed under the

#### COMMENTS ON STOCKS

W. S. Conn of Lewis-Dewes & Co., Chicago investment house, comments on insurance stocks:

insurance stocks:

"A much better tone characterized the insurance stock market last week. Investors are beginning to be attracted by the favorable price levels that have prevailed for the past few weeks. This return of buying interest was shown by our list of typical stocks, as follows:

June 25 July 2 Change

June 25 July 2 Change

Aetna Fire ... 700 705 + 5

Aetna Life ... 1250 1270 + 10

Boston ... 880 875 - 5

Connecticut General 2275 2300 + 25

Globe & Rutgers ... 1375 1360 - 15

Hartford Fire ... 995 1010 + 15

National Fire ... 820 845 + 25

"In addition to this, gains were scored

"In addition to this, gains were scored by Continental, Fidelity-Phenix, Niagara Fire, Fidelity & Casualty and Continental Casualty. The outstanding developments of the week were approval of National Fire stockholders to the redemption of par values to \$10, and ourdemption of par values to \$10, and pur-chase rights to Travelers' stockholders

(CONTINUED ON NEXT PAGE)

### Can You Doubt It?

Can you as an insurance counsellor doubt the following statement?

"Accurate descriptions and provable values for your client's property are most readily and economically obtained by employing experienced appraisal engineers, who are subject to the checks and guidance of an organization's tested standards of valu-

It is impossible for you to place the correct insurance on your client's property without knowing the true insurable value. Your hit-and-miss-methods of appraising will not determine this important value. Only an appraisal conducted by a reputable organization such as The Lloyd-Thomas Co. can accurately and readily ascertain the true insurable value of your client's property. Knowing this figure, you can place the correct insurance coverage on the property.

WHAT IS AN APPRAISAL?—It is a complete classified in insurable property (except stock, merchandise and raw mate th item of property is valued at today's cost to replace new, ount of accrued depreciation is determined and the sound im



APPRAISAL ENGINEERS

4411 Ravenswood Ave., Chicago 120 Broadway, New York

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Kansas City Des Mo



Automobile Insurance—Full Coverage—All in One Policy Plate Glass and General Liability Insurance Assets Over 11/3 Million-Surplus to Policyholders \$600,000

Agents wanted in Alabama, Arkansas, California, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Michi-gan, Missouri, Ohio, Oklahoma, Tennessee and Texas.

#### CHICAGO NEWS

(CONT'D FROM PRECEDING PAGE) calling for one share for each seven shares outstanding at par \$100. We feel that the insurance stock market has turned the corner and expect a gradual recovery all along the line."

KOMAIKO'S SON HONORED

Billy Komaiko, 10-year-old son of S. B. Komaiko, the well-known Chicago agent, was winner of the Howard "News" merit award, which was presented by Col. Howard P. Savage, past national commander of the American Legion, and president of the North Shore park board in Chicago. The

award was made to young Komaiko for rescuing Bobby Gibson, 7 years old, at the beach last August. Billy Komaiko jumped into the lake, pulled out the Gibson boy and then went on with his activities. activities.

#### BASEBALL LEAGUE STANDING

The standing of the Chicago Insurance Baseball League is:

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the Fireman's Fund. This should be a good game, as the two teams are now tied for first place.

Fred Read of Decatur, Mich., died last week. He was at one time connected with the Chicago Board as a rater. He was the father of R. I. Rend, Chicago manager of Crum & Forster.

The annual outing of the agents and employes of the Great Lakes of Chicago will be held next Wednesday at the home of N. L. Piotrowski at St. Charles, Ill. The program will start at 2 p. m.

#### Kansas Hail Experience Shows Great Improvement

ONLY TWO BAD STORMS

Companies Fail to Profit Because of Restricted Writings-Premium Volume Reduced

TOPEKA, KAN., July 3.-Last year the insurance companies writing hail lines in Kansas had the worst year in the history of the state and it looks now as if the year 1929 would be the best year. Thus far there have been but two bad hail storms in Kansas, one in the southwest and one in the northwest. the southwest and one in the northwest. They covered only small areas and the heaviest losses so far reported were only 43 percent. The wheat crop is now more than half cut and safe from any severe hail damage and there is no likelihood of damage to all the wheat in the southern half of the wheat growing territory. ing territory.

#### Restrict Hall Writings

The companies have restricted their hail writings in Kansas this year so they won't benefit much from the good ex-perience. Farmers have been unable to obtain sufficient coverage this year and the insurance department has had many complaints from agents who were un-able to write sufficient lines to provide their usual customers with protection. One agent who wrote \$50,000 in hail premiums last year could write only \$5,000 worth this year as he was not permitted to write more than a few selected risks in his territory. Some of his companies refused to permit him to write any business and others limited their lines in the county. Not a single loss has been claimed on any of his policies this year.

#### NEBRASKA LOSSES HEAVY

LINCOLN, NEB., July 3.—After escaping with unusually light losses most of the spring, hail companies have been hard hit in the last half of June. Most of the claims are for wheat destroyed. In Cheyenne county, where fields of wheat average in excess of 1000 agents except destructive storms. 600 acres, several destructive storms have caused heavy damage. Other reports come from York county and in the Platte valley, where 40 percent of the wheat was destroyed in the sections suffering. Tornadoes and hail storms in Loup county destroyed all grain and many farm buildings over a five-mile strip a mile wide. After the storm had passed drifts of hailstones three and four inches deep were left. 600 acres, several destructive storms three and four inches deep were left.

#### Rain Cover Bought for Fourth of July Events

NEW YORK, July 3.-Rain insurance companies report an unusually large amount of business covering Fourth of July gatherings of various kinds in all sections of the country. While rain covers continue popular with promoters of outdoor sporting events, merchants fail to seek the indemnity in anything like the degree hoped for, underwriters being at a loss whether to at-tribute this to lack of concentrated effort on the part of agents, or to failure of the business men to appreciate this particular form of protection. As an offset the companies find an ever increasing call for falling aircraft insurance, the freedom with which planes are now traveling about, and the numerous accidents resulting inducing the ready acceptance of insurance by house-holders and others, particularly as its cost is very low.

Orville P. Arnett of Enid, Okla., was killed in an automobile acident near Seiling, Okla., last week. He was a member of the insurance firm of Det-wiler & Arnett of Enid.



### AMERICAN NATIONAL FIRE INSURANCE COMPANY

8 East Long Street

COLUMBUS, OHIO

Capital \$500,000

WILLIAM H. KOOP, President
ALEXANDER R. PHILLIPS, Vice-Pres. JOHN A. DODD, Vice-Pres. & Ser'y
GEORGE E. KRECH, Vice-President and Secretary
ALLEN W. FLEMING and E. PHILLIP GUSTAFSON, Assistant Secretaries

Progressive, Yet Conservative

**Operating Along Sound Lines** 

ho! there is nothing new under the sun! - but thing's possibilities may ddenly be discovered! day more of our agents are reaping an immediate profit by cooperation with american Freld Men. Clock our other agents! The american of hewark

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#### Retiring Manager



HENRY W. GRAY United States Manager of London & Lan cashire Group Who Has Resigned

#### FIELD CHANGES

SHIFTS BY FIREMAN'S FUND

Special Agent George N. Hutchinson Is Now Assigned to Philadelphia and Suburban Territory

Special Agent George N. Hutchinson, who has represented the Fireman's Fund, Home Fire & Marine and Occidental in New Hampshire and Vermont, has been transferred to Philadelphia, where he will supervise the fire business of these companies and take charge of where he will supervise the fire business of these companies and take charge of the service office for Philadelphia and suburban territory, succeeding J. N. Fischler, resigned. James E. Tetlow, Jr., special agent in West Virginia, has taken over Mr. Hutchinson's field and will have his headquarters at 712 Amoskeag Bank building, Manchester, N. H. Mr. Tetlow is a native New Englander. Harry E. Cragg has been appointed special agent for West Virginia with headquarters at Wheeling. He has been identified with the insurance business in West Virginia since 1912, as bureau in-West Virginia since 1912, as bureau in-spector, special and local agent. For the last 10 years he has been associated with the Staats-Blair agency at Huntington.

#### Earl R. Hubbell

Earl R. Hubbell, who is connected with the Indiana Inspection Bureau, has been appointed special agent in Indiana for the Royal and Queen group. He has been in his position for three years. He is a graduate of the fire protection course at Armour Institute in Chicago. He will assist State Agent P. J. Mangan, who has charge of the state for all the companies.

#### W. G. Hodge

W. G. Hodge has been appointed state agent of the National Union in Missouri to succeed State Agent Garrett. He will have his headquarters at Kansas City. For five years he was state agent of the Twin City Fire in the Dakotas and eastern Montana. Later he was special agent of the American Central in Iowa and Nebraska with headquarters in Des Moines.

#### C. E. Shumaker

C. E. Shumaker, for the past nine years an Indiana special agent of the Hartford, is resigning to become a part-

ner in an automobile agency at Craw-fordsville, Ind., where for some years Mr. Shumaker had an interest in a local agency.

#### H. L. Robinson

Harvey L. Robinson has been appointed special agent of the Scottish Union & National and American Union for eastern New York with headquarters in the Morgan block at Illion.

#### H. L. Stanley

H. L. Stanley, farm special agent of the Home in South Dakota, has re-signed to take charge of the Des Moines office of the Stanley Securities Com-pany of Cedar Rapids, of which his brother is the head brother is the head.

#### Ray Fowler

Ray Fowler of Indianapolis, special agent of the National Union, has resigned to become special agent of the General of Seattle and the First National, its running mate, in Indiana. He has resigned from the Indiana Field Club, as the two companies are non-Club, as the two companies are nonaffiliated.

#### Kenneth W. Hazen

Kenneth W. Hazen has been appointed special agent in northern New Jersey for the Commerce, running mate of the Glens Falls.

#### Paul Martin

Paul Martin of Attica, Ind., for several years a farm special of the Niagara in Indiana, has resigned.

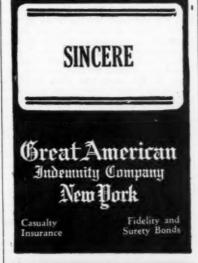
#### First National Being Licensed

The First National of Seattle, the running mate of the General of that city, is now licensed in Illinois, Indiana, Ohio, Missouri and Minnesota in Western Union territory, it being under the jurisdiction of Western General Agent Charles W. Davis of Chicago.

#### Opens Philadelphia Branch Office

The Globe & Rutgers opened a branch office at Philadelphia July 1 with Samuel J. McMinn as its manager. The office has jurisdiction over Philadelphia and vicinity, south Jersey, Delaware and eastern Maryland.

Walter E. Batterson has resigned as assistant secretary of the Travelers and will devote his entire attention to the duties of his office as mayor of Hartford, to which he was elected last May.



## Reduce Insurance Rates Recommend JUSTRITE OILY WASTE AND SAFETY CANS proved and Labeled by the Underwriters Laby ting and Associated Factoric Mutual Insurance C

#### Whatever Your Life Insurance Needs

There is a JOHN HANCOCK POLICY to Fill Them

BE IT for personal or business protection, or for home and family, with settlement of the proceeds by lump sum or by instalment or income payments. Annuity contracts in various forms. Total Disability and Double Indemnity issued.

Special policies covering Partnership Agreements, Funds to guarantee a College Education, to provide Bequests, to cover Mortgages, Inheritance Taxes and Estate Shrinkage—thus making certain the carrying out of almost any program involving Life or Money values.

Group insurance has been issued since 1924. The Com-

pany now issues Wholesale and Salary Deduction insurance, to which was added in 1928 Group Accident and Sickness insurance, and Group Accident and Dismemberment insurance.

Investments are of high quality, carefully distributed as to farm and city mortgage loans, public utilities, government bonds and railway securities.

Dividend payments are at the highest scale in the Com-pany's history. There has been a general reduction in annual cost to policyholders during the past seven years, while in the same period the Company has doubled its outstanding insurance and financial resources.

Surplus over all Liabilities, \$38,667,784 Reserves, \$447,834,175; Other Liabilities, \$9,669,748 Total Assets, \$496,171,707



## Caledonian Insurance Company

The Oldest Scottish Insurance Office

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Caledonian-American Insurance Company of New York

EXECUTIVE OFFICES: HARTFORD, CONN.

ROBERT R. CLARK, U. S. Manager and President

July 4



#### Charleston, S. C.

In 1861, at the time of the Civil War, Charleston, suffered a devastating conflagration with a loss of \$10,000,000 in property values. Starting in Russell & Old's sash and blind factory at the foot of Hazel Street, the fire spread rapidly, destroying most of the city. The first fire-resistive building in America, erected at Charleston in 1823, was untouched by the flames.

The Charleston of today is a busy, flourishing city. Her streets are filled with traffic, the wheels of her factories are humming, and her docks are laden with cotton, rice, lumber, and other products. Charleston industry and commerce as well as her homes are surrounded by a protecting wall of fire insurance. Stock fire insurance companies have also sponsored local fire prevention and protection activities which have greatly reduced the

WILFRED KURTH, Pres.

#### The CAROLINA INSURANCE COMPANY

WILMINGTON

NEW YORK OFFICE MAIDEN LANE

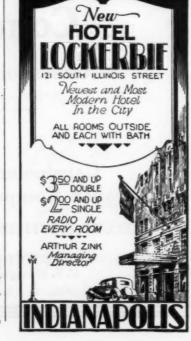


Two famous hotels, on either side of Copley Square, in the heart of the Back Bay

Single Rooms \$2.50 up Double Rooms \$3.50 up

L. C. Prior, Pres. and Man. Direct

HOTELS LENOX and BRUNSWICK BOSTON



## Object to Churches in **Business of Insurance**

Protests are coming in from all over the country from local agents who place Episcopal church property, many of them being members of that denomination, against the organization of the Church Properties Insurance Corporation of New York, which has been organized by prominent members of the church to insure Episcopal church property. Expressing the sentiments of members in all directions, the letter from Guy Wyman of Wyman & Gregory, Painesville, O.,

Wyman says:
"We note with mingled interest and astonishment that the Episcopal church, or some of its influential men, have started an insurance corporation to take Gregory emphatically protest against this new corporation and its encroachment upon the legitimate insurance business of agents who are members of Episcopal churches.

#### Both Are Church Officers

"In the first place, the writer is treasurer of St. James' Episcopal church, Painesville, O., and is a member of the vestry. Mr. Gregory is junior warden of the church and also a member of the vestry. We are manager and owner respectively of the insurance firm of Wyman & Gregory, engaged in a general insurance husiness and carrying a eral insurance business and carrying a large share of the insurance on the Episcopal church and other property in

this city.
"We do not feel there is more necessive than for a sity for this corporation than for a should deem it necessary to embark upon corporation selling hardware, coal, or this course."

to that company, is representative. Mr. light and power exclusively to Episcopal churches. There are absolutely no benefits which we can see that will accrue to the general church. None will accrue to the local parishes from the projection of such a corporation into the insurance business. On the other hand, it is very detrimental to the interests of mem-bers of the Episcopal church who are in the insurance business and make their livelihood therefrom.

#### Installment Payment

"We do not feel that the rate situation in any way warrants such action as churches do not pay excessive rates for the hazards involved. It seems that your only claim to benefit is in the proposition of installment payments, where, as a matter of fact, we have been extending this courtesy for years to our respon-sible clients, including churches.

"We assure you that we shall oppose any further encroachment upon our legitimate business and we regret that men of vision whose business accom-plishments have already been great,

#### Aviation Risks Must Be Carefully Underwritten

NEW YORK, July 3.—The growing importance of close underwriting of aviation risks, life, fire and casualty, seen in the summary of accident statis-tics for 1928 as given by Edward P. Howard, chief of the regulations division of the aeronautics branch of the Department of Commerce, in an article in "Aviation." Mr. Howard lists the vital statistics for the year and also the cause of accidents and these, correlated with the figures on the growth of flying and pilots' licenses, give an interesting picture of the situation today.

Pilots' licenses about doubled last year and accidents nearly doubled, so that the relationship is keeping almost on the old level, but the cause of accidents shows a serious increase in the number of accidents credited to poor number of accidents credited to poor technique and improper flying. During the second half of 1928, poor technique crashes increased notably over the first half of the year and total personnel accidents jumped from 47 percent of the total to 58 percent. This is of great interest to underwriters, for it points to a need for closer study of pilot qualifications in granting insurance of any type. With the rapid growth of aviation, pilots are going to be pressed into duty type. With the rapid growth of aviation, pilots are going to be pressed into duty with increasing carelesness, and insurance must guard against this to prevent increased losses.

#### Scranton Agency Is Now Celebrating 75th Year

Charles Miller & Co., local agents at Scranton, Pa., are celebrating their 75th anniversary. The Phoenix of Hartford, which celebrated its 75th anniversary a which celebrated its 75th anniversary a few days ago, entered the agency in 1860. Five years later the Springfield Fire & Marine was taken on. John S. Burwell is the main factor in the Miller agency. He also owns the agency of Moore, Foster & Burwell of Scranton. The two are kept distinct.

#### Gives Selected List of Fire Insurance Books

At the meeting of the insurance group of the Special Libraries Association at Washington, there were a number of company librarians present who spoke. Considerable interest was shown in the discussion of "fundamental books" for an insurance library. D. N. Handy of the Insurance Library Association of Boston gave a suggested list of fire insurance books. Miss Mabel B. Swerig, librarian of the Insurance Society of surance books. Miss Mabel B. Sweng, librarian of the Insurance Society of New York, was elected chairman of the group and Laura A. Woodward, librar-ian of the Maryland Casualty, secretary.

#### Addresses Commercial Secretaries

Richard E. Vernor, manager of the fire prevention department of the Western Actuarial Bureau, who graphically described the ravages of "Demon Fire' and stressed the need and importance of community fire protection, was one of the speakers at the annual banquet of the Ohio Commercial Secretaries Association, which was held at Canton, O. Alvin E. Bulau, president of the Fire Prevention Association of Ohio, who was present as a guest, made a number of contacts with the secretaries of various chambers of commerce and other business men's organizations. As a re-sult of this, the Ohio association has already received invitations to conduct town inspection and educational cam-paigns in several of the leading cities and towns of the state during the coming

#### Ulery Made General Agent

C. E. Ulery, 405 Bonfils building, Kansas City, Mo., has been appointed general agent for the Chicago Fire & Marine for Missouri outside of St. Louis county and also Kansas. He becomes general agent for the Presidential in Missouri outside of St. Louis county, and also Kansas and Oklahoma. He was formerly special agent for the Twin City Fire, Federal and Northwestern Fire & Marine in Missouri.

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INSURANCE COMPANY

#### **Auditor Handles Refund** of Premiums in Kentucky

ORDERED BY FEDERAL JUDGE

Will Be Distributed to Policyholders Through Agents Who Originally Wrote the Business

LOUISVILLE, July 3.—A decision was reached at a hearing conducted by Federal Judge A. M. J. Cochran, at Maysville, Ky., relative to methods to be employed in the return of approximately \$250.000 in create for interest. mately \$750,000 in excess fire insurance premiums collected while the 12½ percent increase was collected under federal court injunction preventing interference with the companies. Under the compromise agreement reached a few weeks ago, it was agreed to refund 6½ percent from April 1, 1928, keeping the full 12½ percent for the first year that the increase was collected. The method of refunding the 6½ percent was not decided at that time and was left to the federal index left to the federal judge.

#### Auditor to Make Distribution

Judge Cochran ordered the return premiums to be turned over to State Auditor Clell Coleman of Kentucky, who in turn will distribute them to the

who in turn will distribute them to the assureds, through the agent originally writing the business.

The companies, through the Kentucky Actuarial Bureau, contended that the entire return distribution should be made by the companies through the agents direct to policyholders, while the auditor sought to have the entire sum handled through his department.

Judge Cochran, in ruling that the money should be turned over to the auditor, and through him placed with the

money should be turned over to the auditor, and through him placed with the agents for return to the policyholders, held that the auditor's office originated the suit and is the direct cause of the rebate to the public. "Therefore," he said, "I hold that he is the proper man to distribute this fund to the policyholders. He has been their agent in obtaining it, and is still their agent in distributing it."

#### Suggest Mammoth Cave Donation

At the conclusion of the hearing Judge Cochram was presented with a petition signed by several prominent policyholders in which they agreed to the turning over of their funds, together with money left in the fund after all possible refunds have been made to the Mammoth Cave National Park fund.

Among those present at the hearing were Attorney General J. W. Cammack, Auditor Coleman, Bush W. Allin, who has been appointed insurance commissioner, but who has held up actual acceptance of the position for about three months; George H. Parker, manager of the Kentucky Actuarial Bureau; Harry B. Wilson, president of the Kentucky Association of Insurance Agents; Guy H. Briggs, attorney for Mr. Coleman; J. S. Laurent, attorney for the Kentucky Actuarial Bureau, and Huston Quin of Louisville, representing the Mammoth Cave Association.

#### Death of M. S. Moore

M. S. Moore, for many years Indiana state agent of the New Hampshire Fire, died June 26 in Turlock, Cal. About three years ago Mr. Moore was retired by the New Hampshire and went to California because of failing health. He was active in the insurance business for 45 years and when he went with the New Hampshire his territory included Indiana, Kentucky, Tennessee, Illinois and Missouri. Mrs. Moore was with him in California. The body was cremated and the ashes will be taken to Terre Haute, Ind., for burial. Stanley D. Turner, an Indiana special agent for several years, is a nephew.

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## **INSURANCE**

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111 John Street **NEW YORK** 



July 4

#### THE NATIONAL UNDERWRITER

Published every Thursday by THE NATIONAL UNDERWRITER COMPANY, Chicago, Cincinnati and New York. EDWARD J. WOHLCEMUTH, President; JOHN F. WOHLGEMUTH, Secretary: HOWARD J. BURRIDGE, Vice-President and General Manager; NORA VINCENT PAUL, Vice-President; VILLIAM A. SCANLON, GEORGE C, ROEDING and O. E. SCHWARTZ, Associate Managers

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E. R. SMITH, Statistician; ABNER THORP, JR., Director Life Insurance Service Dept.

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#### AUDIT BUREAU OF CIRCULATIONS

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#### Praise for the Full Time Agent

the fire insurance field men of his state, declared that 15 percent of the licensed agents of the country write between 85 and 90 percent of all insurance, life, fire and casualty. This is a decided commendation for the full time insurance agent who is devoting his energy, thought and study to his job. We have a horde of insurance producers. They are not insurance men in the serisense of the term. They are commission grabbers that are evidently seeking to piece out their living by poaching on the preserves of the real insurance men.

An intelligent assured always likes to deal with a master. In fact it is a pleasure always in negotiations or trans- fills the bill.

INSURANCE COMMISSIONER C. D. LIV- actions to treat with someone who INGSTON of Michigan, in speaking before knows his business, however humble that occupation may be. We admire one who is thoroughly versed in his line and is able to reveal that knowledge in the way that his work is done. More and more insurance will have added complications and ramifications. The sideliner may be able to handle the smaller lines and the unimportant features but it will take a real insurance agent of capacity and experience to handle successfully and intelligently the larger aspects of the business.

It gives the public a greater respect for insurance if the people with whom the premium payers come in contact can present the case as it should be and can map out an insurance program that

#### Did Not Represent Intelligence

companies in the state. The editor arrived at the so-called profits by the simple process of deducting the losses gave an apparent profit of more than \$5,000,000 in 1925, \$6,000,000 in 1926 and \$7,000,000 in 1927.

It is hard to believe that this showeditor of an important paper. It seems evident that the misrepresentation must have been deliberate, as a man in his position surely has the mental ability to grasp what is known to the humblest business man. The corner grocer knows that the difference between what he pays for goods and what he sells them for does not represent his profit. He has the expense of rent, delivery wagon, expenses, which in fact often eat up most of the margin and leave him less for himself than he could earn on a salpaying expenses that represents profit and this is known to the most ignorant husiness man.

Supporting a measure for the repeal Main Insurance Agency of Madison of the anti-discrimination law in Wis- wrote a letter to the "Capital Times" in consin, the "Capital Times" of Madison which the truth was made plain. Takpublished an editorial purporting to ing the Wisconsin premiums for three show the enormous profits of the fire years he applied the average expense ratio of all companies and showed the expenses on Wisconsin premiums. Deducting both losses and expenses from from the premiums. This simple method the premiums he demonstrated that the companies lost \$1,185,854 in that state in 1925, and \$6,261 in 1926. In 1927 they did make a profit of \$1,367,951 but deducting the net loss of the two ing represented the intelligence of the preceding years they had only a profit of \$165,836 for 1925, 1926 and 1927.

Although the "Capital Times" printed Mr. STARKWEATHER'S letter, it printed alongside it a statement implying excessive profits in the city of Madison. It pointed out that the premiums in Madison for 1928 were \$507,000, while the losses paid in Madison were only \$38,000. It overlooked of course the fact that insurance distributes losses and clerk hire, light, heat and scores of other that a town that has few losses one year may have a \$1,000,000 fire a year or two later. It would be just as reasonable to pick out single risks on which ary. It is the amount that is left after premiums were collected and no losses paid whatever, and assert that the premiums were profits. It is a fact that even the largest cities may be unprofitable F. W. STARKWEATHER of the Willett E. one year and profitable the next.

#### PERSONAL SIDE OF BUSINESS

Frederick B. Luce, vice-president of the Providence Washington, in charge of its fire underwriting, has been confined for the last three or four weeks in a hospital at Providence owing to gastric ulcers. Mr. Luce is now taking treatment for his malady.

George Steinkamp of the Cabell Gray agency of St. Louis, accompanied by Mrs. Steinkamp and several friends, is motoring through the middle Atlantic and New England states. The party spent several days in New York City, Mr. Steinkamp visiting company offices before leaving for Boston and points

Joseph S. Frelinghuysen, president of the Stuyvesant of New York, and for-merly United States senator from New Jersey, is an ardent champion of state taxpayers associations. As the result of a gathering held to consider the subject at his Somerville home a few days ago, such an organization was formed for New Jersey, its officers and committee members all being prominent in

A. A. Maloney of Los Angeles, well known to insurance people, who has been in Kansas City for several months, is on a motor trip with Mrs. Maloney to Westchester county, N. Y., where they will spend the summer. They will return to Caifornia in the fall.

Forty-five years ago Henry Kasemeier of Waverly, Ia., took the agency for the Germania of New York, now the National Liberty. When he served 25 years he was presented with a medal that was engraved with his name and number of years of service. Since that time every five years a diamond is set in the medal he has received word to send it to the home office by registered mail for the purpose of having a fourth diamond placed therein, to denote his 45 years as local agent for the company.

Iohn Wilkinson, Oklahoma representative of Trezevant & Cochran of Dallas, Tex., was taken ill at the Oklahoma field annual meeting at Medicine Park. Mr. Wilkinson's affliction was a type of blood poisoning and he was confined to bed for a week. He has now returned to his office.

Richard D. Searles, field representative of the Fidelity & Deposit, and Miss Mary Catherine Stubbs were married Friday night at Cedar Rapids, Ia. Mrs. Searles, who is the daughter of Lurton H. Stubbs, well known Cedar Rapids local agent, was graduated from Ferry Hall, Lake Forest, and attended North-western University. Mr. Searles was graduated from the school of commerce of Northwestern. They are now on a three weeks' motor trip through the east and will spend several days in Baltimore, where Mr. Searles will visit the home office of his company.

Charles Eaton, resident manager in St. Louis for the Springfield Fire & Marine, has purchased a beautiful 10-acre tract of land located between the Denny and Geyer roads on the Watson road in St. Louis county, and plans to convert it into a country estate. Among the improvements contemplated is a dam to create a bathing beach and lake which will be stocked with game fish of all varieties.

C. E. Brainerd, superintendent of agencies for the Norwich Union and Eagle Fire, made a trip through the Wisconsin field last week with H. C. Busack, state agent.

J. C. Griffiths, Jr., Pacific Coast manager of the Commercial Union and allied companies, left last week for the east,

where he will visit the head office of his companies. En route home Mr. Griffiths will spend some time with relatives in Missouri and Illinois. He expects to return to San Francisco in about two

E. A. Schumacher, Illinois state agent for the Philadelphia Fire & Marine, is hitting on all six in his field work as a successor to his position, a very fine boy, was born June 29.

John G. McMahon of Chicago, head John G. McMahon of Chicago, head of the loss department in the western office of the Fire Association, died Sunday night. For many years Mr. McMahon was with the western department of the Continental in its loss department. He was a well known character in the business. He had been afflicted with heart trouble for some time and lived at the Atlantic beta in the business. lived at the Atlantic hotel in the ness district. He died at the Alexian Brothers hospital. He had been on a visit to his sister at his old home at Delphi, O., where the interment will be made. He was a Blue Goose member and carried its life insurance.

Harry A. Yates, assistant western manager of the Aetna, was taken to the Evanston hospital in Evanston, Ill., Monday on account of an acute attack of appendicitis. Mr. Yates evidently has been in good shape but had a severe attack which led to his being rushed to the hospital. He was operated on Monday afternoon.

Joseph Stoffer, St. Paul insurance agent, thought of a unique scheme for drumming up business the other day. He remembered that he had stored away the interest of uning 2000 shares of uning in his home some 2,000 shares of mining stocks given him as worthless several

years ago by a brother.

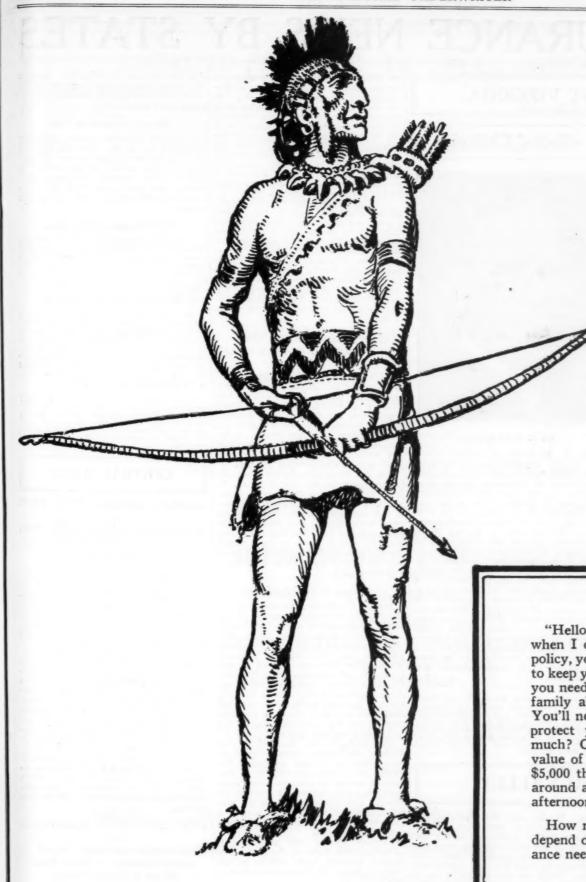
Mr. Stoffer decided to make use of this stock in getting business. So he got out 400 shares of oil stock, placed them on display in his window and put up a notice that he would throw in a share of stock with each policy taken out.

A woman who knew more about oil stocks than Mr. Stoffer chanced by the window, noticed the free offer and promptly offered to buy the entire block of stock at \$4 a share. Mr. Stoffer thereupon made inquiries of a broker and for the first time that his "worth." learned for the first time that his "worthless" stock has greatly appreciated in value in the last few years.

C. E. Lovett of Volga City, Ia., has just received from the First American Fire a "long service" gold watch fob in recognition of his 27 years' service with the Farmers of Cedar Rapids, which company was absorbed by the America Fore group.

Harry B. Wilson of Irvine, Ky., will be the next Republican nominee for county judge of Estill county, as he was unanimously endorsed by that party's county executive committee, which means that he will be nominated and most likely elected, as the county is ordinarily Republican. Insurance men are interested in this election inasmuch as Mr. Wilson has just been reelected president of the Kentucky Association of Insurance Agents. He is a 32nd degree Mason, superintendent of 32nd degree Mason, superintendent of the Methodist Sunday School and a veteran of the World War.

Walter W. Belson, executive secrewater W. Belson, executive secretary of the Insurance Federation of Wisconsin, and Miss Margaret Taugher, daughter of Dr. and Mrs. O. J. Taugher, Milwaukee, were married in Milwaukee last week and have gone to California on their wedding journey. They will return in about six weeks. During Mr. Belson's absence Mrs. Mary S. Fletcher, field secretary of the Insurance Federation. tion of America, will be in charge of the Federation offices at Milwaukee.



"AMERICA FORE"

"Hello! Brown! Remember when I delivered that U & O policy, you said it was up to me to keep you in all the insurance you need? You're taking your family abroad for a vacation. You'll need some insurance to protect your baggage. How much? Ought to cover the full value of your personal effects. \$5,000 then. Good! I'll send around an all-risks policy this afternoon. Good-bye."

How much can your clients depend on you for their insurance needs?

FIRST AMERICAN

EIGHTY MAIDEN LANE, NEW YORK, N. Y.

ERREST STURM, Couleman or ma Boom, Street, Lumbell, Freet State.

CASH CAPITAL - ONE MILLION DOLLARS

NEW YORK CHICAGO MONTREAL DALLAS SAN FRANCISCO.

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July 4,

## FIRE INSURANCE NEWS BY STATES

#### OHIO AND WEST VIRGINIA

COLUMBUS MEETING HELD

Insurance Society Annual Gathering Well Attended-President Wikoff in Charge of Program

The annual meeting and outing of the Insurance Society of Columbus was held last Friday afternoon and evening at Granville, 30 miles east of Columbus. Several hundred persons were present. The festivities were under the direction of President Charles A. Wikoff, Vice-President Kirkpatrick and Secretary-Counsel Russell M. Knepper. While the men played golf on the fine course at Granville in the afternoon and the women played bridge at the Inn, many women played bridge at the Inn, many of the guests also visited Denison University. At a short business session held I. B. Lentz, Austin McElroy and Frank J. Macklin were re-elected trustees. Dancing and entertainment followed the dinner. Among the guests were Judge C. S. Younger, superintendent of insurance; R. R. Gill, fire marshal; E. H. Lee, deputy marshal, and representatives of the adjustment and inspection bureaus, and the insurance department. department.

#### BARNESVILLE AGENT HAS A SUPERIOR RECORD

Elwood DeWees of Barnesville, O., well known local agent, is advertising in the papers of his town the fact that he started in 1895 as an insurance agent and has never had a contested loss. He began as a solicitor for the Ohio Farm-He now has the sole agency of company in Belmont county. Mr. That company in Belmont county. Mr. DeWees represents the Ohio Farmers, State of Pennsylvania, American of Newark, North River, Boston, Security of New Haven and Camden. He is one of the stable insurance men of his locality. He has never missed fire and has always given a good account of himself

#### West Virginia Bureau Moves

The West Virginia Inspection Bureau at Charleston, W. Va., has moved to 1210 Kanawha Valley building. E. V. King is the state superintendent.

State fire marshals are investigating the fire which destroyed the trestle leading from the Van Sweringen property at Presque Isle to the mainland. The trestle was built during the war at a cost of \$15,000. It had been soaked with oil. An announcement of the fire marshal's findings may be made soon.

#### **Elected Chairman**



W. F. ALEXANDER

W. F. Alexander of Charles Town, W. Va., the new chairman of the executive committee of the West Virginia Association of Insurance Agents, is a member of the firm of Washington, Alexander & Cooke. The agency was founded by R. A. Alexander in 1870 and has been in continuous existence wince. His two sons C. R. and W. F. Alexander, operate the large firm of Alexander & Alexander, with offices in New York, Baltimore, Clarksburg, W. New York, Baltimore, Clarksburg, W. Va., Oklahoma City and other places. Another son, W. W. Alexander, is a member of the firm of Poor & Alexander, a general and member of the firm of Poor & Alexander, which conducts a general and local agency at Baltimore. The Charles Town firm consists of W. F. Alexander and Mrs. E. E. Cooke, a niece of the late R. A. Alexander. W. F. Alexander has been a partner in the firm for 25 years. He is one of the active members of the West Virginia Agency Association.

Fire that started Sunday in the Scott Lumber Company's plant at Martin's Ferry, O., resulted in a loss of \$170,000. Firemen from a half a dozen nearby towns helped to fight the flames, which were fanned by a high wind. Nine resi-dences, a tin shop and a confectionery also were burned.

for the companies and by the attorneys for the state in the Kansas fire rate litigation will take weeks of digging into the records to complete. There were 31 questions submitted by the attorneys for the companies to the accountants of the companies and 27 to the executive officials of each company. But the schedule which each company must fill out has hundreds of blank spaces for statistics relating to their business of underwriting and investments, premiums

and losses for long periods.

The state's interrogatory which companies domiciled outside the United States must answer consists of 202 questions for the executive and 240 for the accounting officer. For those companies incorporated within the United States there are 180 questions for the executive and 220 for the accounting officer. It is intended that the interrogatories shall be filled in and returned to the court by October, when the question of who will hear the case will be deter-

#### CLIFF C. JONES TAKES AIR

KANSAS CITY, MO., July 3.—Cliff C. Jones of the R. B. Jones & Sons agency will fly from Kansas City to Los Angeles on business July 5. Leaving Angeles on business July 5. Leaving Kansas City at 8:30 a. m., he will arrive at Los Angeles between 6 and 7 the same evening. For the benefit of the companies R. B. Jones & Sons represent Mr. Jones has ordered \$50,000 personal accident insurance to cover the trip.

TRIP TO PACIFIC COAST

The use of airways in the insurance usiness was begun July 2 by R. B. business was begun July 2 by R. B. Jones & Sons when they sent a representative of the firm to Tulsa by plane. It was necessary for the representative to be in the Kansas City office Monday afternoon and in Tulsa Tuesday morning. He flew to Tulsa on the 9 o'clock plane, transacted his business, had lunch and was back in Kansas City early Tuesday evening.

#### Hickeys in Auto Accident

Joseph F. Hickey, president of the Mercantile Insurance Agency of St. Louis, also president of the Fire Under-writers Association of St. Louis, Mrs. Hickey and their daughter, Althea, were traveling via automobile to Amherst, Mass., when their car skidded on wet pavement and overturned near Marshall, Ill. Mrs. Hickey was thrown from the car and suffered a very serious injury to the left foot and ankle. She also suf-

the left toot and ankle. She also suf-fered two fractured ribs and sustained internal injuries. Neither Mr. Hickey or his daughter was injured. Mr. Hickey's son, Kenneth Myron Hickey, was among those to graduate from Amherst College in June. Mr. Hickey and family were en route to Am-herst to attend the commencement exer-cises when the unfortunate accident oc-curred. Mrs. Hickey is now in the Miscurred. Mrs. Hickey is now in the Missouri Baptist Hospital and is making a good recovery, considering the ecrious-ness of her injuries. Kenneth Hickey will become con-

nected with his father in the general insurance business with offices in the Pierce building, St. Louis, some time in

#### Will Devote Time to Missouri

W. B. Atchison, who is to be state agent of the Yorkshire, London & Provincial and Yorkshire Indemnity in Missouri, will look after that state exclusively. J. Dean Wells of Chicago, who has had supervision over Missouri as well as Illinois, will concentrate his time hereafter on Illinois. Mr. Atchison was formerly special agent in southern Illinois. formerly special agent in southern Illi-nois for the Liverpool & London & Globe. At one time he was special agent

for the company in Missouri. Stewart H. Davey, agency superintendent at the head office, has been in the west arranging for the appointment

#### Mutuals Involved in Loss

A severe hailstorm struck southeast Nebraska last week. The hail mutuals have by far the greater amount of business in that section of the state. In fact in some counties the stock companies have but present helding. The panies have but meager holdings. The mutuals, therefore, are badly hit in that

#### Cedar Rapids Agents Elect

At a meeting of the Fire & Casualty Underwriters Association of Cedar Rapids, Ia., the following officers were elected: President, Ralph D. Gray; vice-president, John J. Sebetka; secretary-treasurer, Joseph R. Anderson.

#### Central States Hail Licensed

The Central States Hail Insurance Company, organized by a group of Omaha Company, organized by a group of Omaha capitalists, has been granted license in Nebraska. The company is headed by K. C. Knudson, who as secretary of the department of trade and commerce under Governor Bryan from 1923-25 operated the state insurance bureau with Mrs. J. D. Fairchild in charge.

W. G. Newsome of Sabula, Ia., has purchased an interest in the McGee Investment Company, Council Bluffs, which does a real estate, fire insurance and investment business. Mr. Newsome plans to move to Council Bluffs in the near future.

#### CENTRAL WEST

#### CANNOT INSURE OWN RISK

Another Agent, in Claim for Fire Loss, Loses on Old Established Principle

LANSING, MICH., July 3.—Another high court has decided that an agent who insures his own property with agent who insures his own property with one of his companies, without disclosing his personal interest in the risk, has no right of recovery under the policy in case of loss. This is the ruling the Michigan supreme court in the case of Jacob J. Martinek vs. Firemen's. Martinek inherited property from his father and placed two policies on an old residence in the Firemen's, of which he was agent, and one in another company. One policy in the Firemen's was in the name of the estate and the other in the name of Jacob J. Martinek. The company was not informed either of Martinek's personal interest or of the additional insurance. The supreme court, however, surance. The supreme court, however, relied on the rule that if an agent is personally interested in the property insured, no policy issued by him or action done by him in connection therewith binds the company unless it knows and

#### PICK EXECUTIVE COMMITTEE

Coen, Metzner and Nevin Named on Governing Board of Illinois State Board at Closing Session

James T. Coen of the Home, C. H. Metzner, Phoenix of Hartford, and F. R. Nevin, National of Hartford, are the newly elected members of the executive committee of the Illinois State Board, voted into office at the concluding business session of the State Board held at Delavan Lake, Wis., last week. In the contest for the vice-presidency, W. C. Sonnen of the Liverpool & London & Globe, defeated Rodney D. Wiley of Globe, defeated Rouse, the Atlas, 51 to 29.

The new executive committee of the

#### IN THE MISSOURI VALLEY

#### ANSWER FILED BY POLLOCK

Judge Takes Step in Kansas Fire Rate Litigation in United States Supreme Court

TOPEKA, KAN., July 3.—The answer of Judge John C. Pollock of the United States district court in the Kansas fire insurance rate case has been filed in the Supreme Court of the United States. The answer is to the application of the state for a writ of mandamus to compel Judge Pollock to name three federal court judges to hear the rate case instead of appointing a master to take the evidence. It says that the injunction is not against the rate order but is against the cancellation of licenses of companies if they refuse to obey the

order. It also says that the state allowed its rights to lapse when it failed to file a formal application at the be-ginning of the case and that since the master had been appointed there was no reason to take the case out of his hands. While the case cannot be heard until the October session of the Su-preme Court the state is now prepar-ing a reply to the answer of Judge

#### WORK ON INTERROGATORIES

Kansas Fire Rate Litigation Leads to Much Work in Compiling Statistics and Experience

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#### LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL

**NEAL BASSETT, President** 

A. H. HASSINGER, Vice President

JOHN KAY, Vice President

WELLS T. BASSETT, Vice President

#### **JANUARY 1ST, 1929, STATEMENTS**

**ORGANIZED 1855** 

FIREMEN'S INSURANCE COMPANY

OF NEWARK, NEW JERSEY

ASSETS \$56,065,676 LIABILITIES \$19,562,550 CAPITAL

**NET SURPLUS** 

SURPLUS POLICYHOLDERS

\$13,500,000

\$23,003,126

\$36,503,126

ORGANIZED 1853

THE GIRARD F. & M. INSURANCE COMPANY

OF PHILADELPHIA, PA.

\$6,036,606

\$2,834,468

\$1,000,000.00

\$2,202,138

\$3,202,138

**ORGANIZED 1854** 

MECHANICS INSURANCE CO.

OF PHILADELPHIA, PA.

\$4,881,357

\$2,770,413

\$600,000.00

\$1,510,944

\$2,110,944

**ORGANIZED 1866** 

NATIONAL-BEN FRANKLIN FIRE INS. CO.

OF PITTSBURGH, PA.

\$5,021,040

\$2,502,744

\$1,000,000.00

\$1,518,297

\$2,518,297

ORGANIZED 1871

SUPERIOR FIRE INSURANCE CO.

OF PITTSBURGH, PA.

\$4,837,240

\$2,492,229

\$1,000,000.00

\$1,345,011

\$2,345,011

**ORGANIZED 1870** 

CONCORDIA FIRE INSURANCE CO.

OF MILWAUKEE, WIS.

\$5,359,805

\$2,486,092

\$1,000,000.00

\$1,873,712

\$2,873,712

ORGANIZED 1886

CAPITAL FIRE INSURANCE CO.

OF CONCORD, N. H.

\$666, 599

\$196

\$300,000.00

\$366,403

\$666,403

TOTAL OF ASSETS

\$82,868,323.00

TOTAL OF LIABILITIES **\$32,648,692.00** 

TOTAL NET PREMIUMS

WESTERN DEPARTMENT

844 Rush Street Chicago, Illinois EASTERN DEPARTMENT 10 Park Place

\$23,808,303.00

H. A. CLARK, Manager Assistant Managers H. R. M. SMITH JAMES SMITH FRED. W. SULLIVAN

**NEWARK, NEW JERSEY** CANADIAN DEPARTMENT

461-467 Bay Street TORONTO, CANADA MASSIE & RENWICK, Limited, Managers PACIFIC DEPARTMENT

60 Sansome Street

San Francisco, California

W. W. & E. G. POTTER,

Managers

JOHN R. COONEY, Assistant Manager

LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL



The following publications of The National Underwriter Company thoroughly cover every phase of insurance.

THE NATIONAL UNDERWRITER (Fire and Casualty Edition)

A weekly magazine giving the latest news of the fire and casualty fields. Published every Thursday.

The NATIONAL UNDERWRITER (Life Edition)

THE NATIONAL UNDERWRITER (Life Edition)
A weekly magazine devoted to news covering life insurance, Published every Friday.
THE ACCIDENT AND HEALTH REVIEW
The only monthly magazine published which exclusively covers the accident and health business.
THE CASUALTY INSUROR

A monthly magazine of inspiration for cas-ualty and surety men.

FIRE PROTECTION
A monthly magazine on fire prevention.

#### **BULLETIN SERVICES**

A. & H. Bulletins—A monthly loose leaf sales and statistical service for accident and health men.

DIAMOND LIFE BULLETINS—A monthly loose

leaf sales and statistical service for the life insurance business.

F. C. & S. BULLETINS—A monthly loose leaf sales and informational service covering the entire fire, casualty and surety field except accident and health.

SALES TRAINING COURSES

#### SALES TRAINING COURSES

SALES TRAINING COURSE IN ACCIDENT AND HEALTH INSURANCE.

A training course in the fundamentals of Accident and Health Insurance.

Accident and Health Insurance.

SALES TRAINING COURSE IN CASUALTY AND BOND UNDERWRITING.

A training course in the fundamentals, coverage and selling of Casualty and Bond lines.

TRAINING COURSE IN DEAN SCHEDULE RATING.

A course devoted to an explanation of the "Dean Schedule."

THE ESSENTIALS OF LIFE UNDERWRITING.

A training course in the fundamentals of

A training course in the fundamentals of life insurance.

SALES TRAINING COURSE IN PROPERTY INSUR-

ANCE.

A training course for the agent who wants to have a complete but brief treatise on fire and allied lines.

## The National Underwriter Co.

**Publication Offices** 

Chicago 175 W. Jackson Blvd.

Cincinnati 420 E. Fourth

Indianapolis 222 E. Ohio

New York 80 Maiden Lane

Atlanta 1517 Fourth Nat'l Bank

Boston 40 Broad St.

Branch Offices Des Moines 313 Iowa Nat'l Bank

Detroit 848 Book Bldg.

San Francisco 105 Montgomery St.

# Covering Every Phase of Insurance

HE nation-wide organization of The National Underwriter Company thoroughly covers every phase of insurance.

With offices in every key city in the country and representatives traveling not only the largest cities but also the more important towns, insurance men everywhere can avail themselves of the specialized insurance services rendered by The National Underwriter Company.

This organization has been built so the needs of the agent in the smallest office are given the same careful and exacting attention that the largest insurance companies and offices receive. It is a prideful boast of The National Underwriter Company that no insurance man is too small or too large not to avail himself of the many exclusive services offered only by this organization

The men who compose The National Underwriter organization are recognized in the insurance world as being well posted on all insurance subjects. These men spend most of their time in close cooperation with the executives and leaders of the various phases of insurance—the best thoughts and latest ideas are procured—all are carefully weighed by National Underwriter analysts and then only the best of the best thoughts and ideas are presented in a concise, accurate but

easily readable manner to all users of The National Underwriter specialized services.

National Underwriter representatives are in contact with all insurance men. They as well know what is happening in home offices as in the general agents' territory and local agents' city. These representatives know the pulse of the insurance business—they are well acquainted with all developments and because they give such valuable information representatives of The National Underwriter Company always receive a hearty welcome in any insurance office.

In thirty years The National Underwriter Company has grown from a one magazine publishing house to its present position as the largest insurance publishing organization in the world. The National Underwriter Company now publishes two weekly magazines, three monthly papers, three bulletin services each covering a distinct and separate field and five sales training courses each of which meets a specific need. These years of experience devoted exclusively to insurance have made this company a specialist in this field.

Requests for information concerning any of the publications or the specialized services offered by The National Underwriter Company are at all times welcomed.

## The National Underwriter Co.

**Publication Offices** 

Chicago 175 W. Jackson Blvd. Cincinnati 420 E. Fourth Indianapolis 222 E. Ohio New York 80 Maiden Lane

Atlanta 1517 Fourth Nat'l Bank Boston 40 Broad St. Branch Offices
Des Moines
313 Iowa Nat'l Bank

Detroit 848 Book Bldg. San Francisco 105 Montgomery St. FIRE RE-INSURANCE Treaty and Facultative

#### RE-INSURANCE CORPORATION OF AMERICA

60 JOHN STREET, NEW YORK, N. Y.

HORACE R. WEMPLE

Secretary H. D. BURROUGH

#### FINANCIAL STATEMENT as of January 1, 1929

ASSETS	
Bonds and Stock (Book Value)	\$1,227,253.93
Collateral Loans	500,000.00
Cash in Banks	119,305.96
Agents' Balances	306,884.02
Accrued Interest	10,326.95
Market Value Stocks and Bonds-over Book	
Value	908.92
	\$2,164,679.78
Agents' Balances over 90 Days	10,387.07
Total Assets	\$2,154,292.71
LIABILITIES	
Reserve for Losses	\$ 95,357.82
Unearned Premium Reserve	901,544.18
Other Reserves	20,000.00
Capital \$300,000.00	
Surplus 837,390,71	
Surplus to Policyholders	1,137,390.71
Total Assets	\$2,154,292.71

#### Division Offices

R. H. Erickson, Inc. 172 W. Jackson Boulevan Chicago, Illinois

Pacific Coast Dept. 114 Sansome Str San Francisco, California

CASH CAPITAL, \$2,000,000.00

HAIL **EXPLOSION** AUTOMOBILE TORNADO PARCEL POST SPRINKLER LEAKAGE USE AND OCCUPANCY RIOT AND CIVIL COMMOTION FUR AND JEWELRY FLOATERS COMPLETE MARINE COVERAGE



CASH CAPITAL, \$1,000,000.00

OWNED AND MANAGED BY "Security"

WESTERN DEPARTMENT: ROCKFORD, ILL.

Illinois Field Club will be appointed by the newly elected president, H. A. Wood of the Dubuque Fire & Marine.

Samuel Levin of the Chicago law firm of Silver, Isaacs, Woley & Silber, was the speaker at the concluding session of the Field Club's meeting at Delavan, discussing at some length the public attitude toward fire insurance. E. A. Henne, vice-president of the America Fore companies, was the chief speaker at the final business session of the Illinois State Board.

Three were tied for the blind bogey, R. W. Tapper, R. L. Wallace and Edward Lane, each scoring 77. Low gross was scored by J. Lewis Cassell and the least number of putts achieved by Melvin LePitre. The entertainment was not a big feature this year, there being only a few numbers, following which the evening, ordinarily occupied with entertainment, was given over to dancing.

#### Windstorm Hits Indianapolis

Windstorm Hits Indianapolis

INDIANAPOLIS, July 3—A severe
windstorm visited Indianapolis and vicinity Sunday evening and caused considerable damage to buildings and trees.
The loss will run in the neighborhood
of \$100,000, according to early estimates,
with probably as much more in the territory surrounding the city. The heaviest individual losses are reported on the
plant of the E. Rauh & Sons Fertilizer
Company and the grandstands of the
Indianapolis Speedway. The wind attained a velocity of 65 miles an hour.

#### Dinner Given to Livingston

Dinner Given to Livingston

Insurance Commissioner C. D. Livingston was given a dinner by the Port Huron Association of Insurance Agents last week. Mr. Livingston discussed Michigan insurance conditions.

Frank J. O'Hara, vice-president of the Port Huron Insurance Exchange, presided. In addition to Commissioner Livingston a talk was given by Senator Alex Cowan, whose bill revising the insurance laws of the state was passed by the legislature. Mr. Livingston spoke at some length on the effect of the new bill on agents and companies.

#### Report Storm Damage in Michigan

LANSING, MICH., July 3-Damage estimated at \$150,000 was sustained in

#### Talks to Specials



CHARLES D. LIVINGSTON Michigan Insurance Commissioner, Wi Addressed the Field Men of His State

Lenawee county last week in one of the most severe windstorms to strike the state in many months. At Medina, a small town near Adrian, 12 houses and the town hall were destroyed or damaged. Telephone poles were down and barns and houses unroofed at several other points in the county while crop damage was also said to be extensive. Considerable damage, probably from the same storm, was also reported from Hillsdale county, where two school houses were wrecked, several barns and other farm buildings were destroyed and

other farm buildings were destroyed and much damage was done to telephone and

Several barns were unroofed and poles were felled near Algonac north of De-troit.

C. W. Coleman, for many years a local agent at Mitchell, Ind., died last Thursday.

#### STATES OF THE SOUTHWEST

#### GILBERT HEADS TULSA BOARD | DALLAS MADE FARM CENTER

Association Successful in Eliminating Bank Agencies and Illegal Competition - Seek 1930 Convention

TULSA, OKLA., July 3.—The Tulsa Fire & Casualty Insurance Association at its annual meeting elected the following officers: E. H. Gilbert, Pearce, Porter & Martin, president; T. G. Leslie, T. G. Leslie Company, vice-president, and H. C. Stehr, Pearce, Porter & Martin, secretary traverses.

tin, secretary-treasurer.

The Tulsa association is a combination of two local associations which operated up to two years ago when the present organization was formed. The association has been successful in eliminating the competition of all the banks of the city, with the result that there is not a single bank agency in Tulsa to-day. The association has also been sucday. The association has also been successful in a drive to eliminate people who are illegally engaged in the insurance business, forcing many to retire. The organization has been very active

Ine organization has been very active in protesting the commission reduction by the Oil Insurance Association.

At the mid-year meeting of the National association in Birmingham an invitation was extended to hold the 1930 convention in Tulsa. The Tulsa delegation to the Detroit convention will renew this invitation and make strong efforts to secure the meeting.

Frank Knapp of Ponca City has bought ne George Harlow agency, Cushing,

American Locates Its Southwestern Department Headquarters for That Class in Texas City

NEWARK, July 3.-To more promptly and efficiently serve the needs of its agents and policyholders the headquar-ters of the farm department of the American is transferred to Dallas, Tex., which city is located in about the geowhich city is located in about the geographical center of the company's operations for this division of its business. In notifying of the move President C. Weston Bailey said in part: "Much of the value of a company to an agent grows out of a stable policy of underwriting. You are interested to know whether the American will continue writing farm business. We assure you that it is not our present intention to withdraw from this field so long as there remains a resonable hope of making a profit.

profit.
"The changing financial condition of the assured often affects the moral haz-ard. These are conditions of which only the agent can keep the company informed, and we solicit the cooperation of our agents in the selection of risks. of our agents in the selection of risks. We are anxious to develop an increasing volume of the better class of farm business. We urge you to use the services of Manager Carl M. Hunt or the field men in your territory in the upbuilding of this business for our mutual account."

Heretofore the farm department of

the An located in the TEXA

July 4,

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agent most l Goose, homa Newar Oklah ciation Delega the American for the south has been located at Memphis. Its new office is in the Marvin building at Dallas.

#### TEXAS COMMISSION SUITS WILL GO OVER UNTIL FALL

AUSTIN, TEX., July 3.—Trial of the suits filed by four Texas companies attacking the validity of the agents' commission order of the Texas board of insurance commissioners will not be held until fall. They had been set for trial here. July 8. here July 8.

Assistant Attorney General Lawrence Assistant Autorney General Lawrence, counsel for the insurance board, said Monday he had been notified by M. M. Crane of Dallas, counsel for the companies, that motions for continuance would be presented when the suits are called next week, as it would not be possible for him to start the trial on the date set for the trials. Mr. Lawrence date set for the trials. Mr. Lawrence said he would not oppose the continuance motions.

The companies attacking the validity of the order which prohibits agents' commissions exceeding 20 percent are the Commercial Standard, Gulf, Utility and Atlantic, all of Dallas.

#### Texas May Losses Reported

AUSTIN, TEX., July 2—Losses caused by 407 fires reported to the Texas fire insurance department in May aggregated \$542,520. Firebugs started 20 of the reported fires, which resulted in losses of \$22,008. Fires of unknown causes numbered 134, resulting in losses of \$243,426.

#### Inspection Stops Fires

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OKLAHOMA City, July 2—Direct results from the Oklahoma Fire Prevention Association inspection at Hugo, Okla., in May are already being realized, according to James A. Atkinson, secretary of the association.

A message from Fire Chief Hennessy of Hugo advises that there has been but one small fire since the inspection. Previous to that date, Mr. Atkinson estimates that a fire was almost a daily event.

#### Maxwell Heads Oklahoma Pond

Maxwell Heads Oklahoma Pond
OKLAHOMA CITY, July 3—Raymond
L. Maxwell of Oklahoma City, state
agent for the Norwich Union, was elected
most loyal gander of the Oklahoma Blue
Goose, with Walter Myers, Jr., of Oklahoma City, state agent American of
Newark, supervisor; F. C. Newcomer,
Oklahoma City, Cotton Insurance Association, custodian; A. B. Stewart, Oklahoma City, of the Providence Washington, wielder, and Hal F. Watson, Oklahoma City, Great American, keeper.
Delegates named to represent the Okla-

homa pond at the grand nest include E. J. Heavener, general agent of Tulsa; H. K. Lininger, state agent Springfield Fund, all of Oklahoma City.

#### STATES OF THE NORTHWEST

#### MUTUAL COMPETITION HEAVY

Stock Companies Confronted With a Stiff Proposition in Many Points of the Northwest

MINNEAPOLIS, July 3.—Field men are confronted with increasing competition on part of the mutuals. In some sections the mutuals have just about taken all desirable risks in sight of any consequence. Local agents are becoming very much wrought up, seeing becoming very much wrought up, seeing the business go off their books and they seemingly are powerless to avert it. The extension of the use of the term plan to almost everything except stocks of mer-chandise and the more desirable special

amost everything except stocks of metachandise and the more desirable special
hazards will help some. Another factor
that has to be reckoned with in many
sections is the Minnesota Fire of Chatfield, Minn., which has filed rates 20
percent below the regular companies.
It is making a strong bid for business.
In the southern part of this state
there are many towns that have a good
loss record. The stock companies undoubtedly would be glad to reduce rates
in that part of the state but under the
anti-discrimination law they can not do
so. The loss ratio in the upper part
of the state is considerably higher. The
field men express the hope that the
authorities may discover some way to
lessen the strain and make it possible
for the local agents here to hold more
of their business. The subject has received attention at the hands of field
men in their recent conferences. men in their recent conferences.

#### CHARGE THAT ASSURED INTENDED TO DEFRAUD

Plaintiff sues to recover on an insurance policy covering personal property destroyed in a fire. He was convicted on a prosecution for arson of setting the fire that turned the particular property with intent to defraud the insurance company. The policy on which suit is brought contains the provisions, common to standard policies, to the effect that any fraud or false swearing by assured in his proofs of loss shall render the policy void. The jury found render the policy void. The jury found that he did not set the fire; also that items wrongfully inserted in the proofs

of loss and excessive valuations so in-serted, were not so inserted with intent to defraud. In view of the evidence stated, the court must hold that plainstated, the court must hold that plain-tiff, to say the least, inserted the cash register and its grossly exaggerated valuation in the proofs of loss with in-tent to defraud the insurance company, and thus defeated his right to recover under his policy regardless of other fea-tures of the case. The motion of de-fendant to change the answer of the 9th question of the verdict from "no" to "yes" and for judgment of dismissal on the corrected verdict should have been granted. Judgment reversed; complaint granted. Judgment reversed; complaint dismissed. Oberleitner vs. Security of New Haven, Sup. Ct. Wis.

#### St. Paul Losses Higher

St. Paul Losses Higher

ST. PAUL, July 3—Fire losses in St. Paul for the first six months of the year will run almost double those for the same period in 1928. Capt. John Townsend of the insurance patrol estimates losses up to June 25 this year as \$636,-564 against \$349,211 for the first six months last year.

This unfavorable showing is due entirely to three large fires in January, these three showing aggregate losses of \$320,000. For the other five months losses ran about even each year. The

osses ran about even each year. The three large January losses were Armour & Co., \$100,000; La Salle Products Co., \$162,000; Olson-Keough Produce Co.,

#### Mutual Observes Golden Anniversary

The Norwegian Mutual Fire held its golden anniversary convention near Minneota, Minn. Governor Theodore Christianson was the principal speaker at the session, which was attended by 5,000 persons. Gunnar B. Bjornson, state ax commissioner. 5,000 persons. Gunnar B. Bjornson, state tax commissioner, was master of ceremonies and addresses were made by Herman L. Ekern, former insurance commissioner and attorney general of Wisconsin, and Anton Anderson, secretary. Senator Henrik Shipstead, unable to be present, sent a telegram of regret.

#### Wisconsin Arson Bill Signed

MADISON, WIS., July 3.—Gov. Kohler has signed the new arson law, which repeals the present law against arson and enacted an entirely new statute. The new law, now in force in about 22 states, gives juries more latitude in the penalty to be imposed upon conviction.

The legislature will not recess over

#### Fence Builder



CHAUNCEY S. S. MILLER Publicity Manager North British & Mer-cantile, Who Spoke Hefore Wiscon-sin Field Men

the summer, it is reported, and the session is expected to continue into late August or September. It is reported Governor Kohler is opposed to a summer recess, lest the legislature might meet again and keep going all winter. Many insurance bills are still before the legislature, including a number of radical measures which are being fought by insurance men.

#### Sprinklers Cause Damage

Sprinkjers Cause Damage
WEYAUWEGA, WIS., July 3—The
Weyauwega Milling Company, second
largest all-rye flour mill in the country,
suffered a serious loss when fire started
in the mill in the early morning, causing a newly installed sprinkler system
to begin operations. The night watchman was off duty and much water damage resulted since it was not discovered
for three hours. The fire damage was
inconsequential.

#### Wausau Has Heavy Mill Loss

Fire starting in the boiler room of the Cereal Flour Mills, Wausau, Wis., spread to the main building and caused a loss estimated at about \$250,000. The structure stood on an island in the Wisconsin river. When the huge elevator caught fire hope of saving the plant was aban-

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#### The RELIABLE FIRE INSURANCE COMPANY DAYTON, OHIO

Organized 1865

Surplus to Policyholders \$1,039,042.00

An independent Ohio Company with a record of more than 60 years of honorable dealing with Agents and Assureds

"The writer derives more benefit out of 'The Casualty Insuror' (every week than the use subscription fee."

PRILIP A. BROWN, Swarm-Brosseau-Sanks, 200 Standard Life Bidg., Decatur, Ill.

doned and the city's entire fire fighting equipment was kept busy saving the downtown district, which was seriously menaced by sparks and huge embers, some of which were carried as far as seven blocks by the wind.

Insurance of \$110,000 was carried on the buildings and \$55,000 more on the equipment. In addition 65,000 bushels of grain were destroyed with the elevator.

#### Bad Fire at Tomah

TOMAH, WIS., July 3—A heavy fire loss resulted when fire swept the McCaul block in the business district here and broke through into an adjoining buildbroke through into an adjoining building. The loss was estimated by the owner of the building at \$50,000. The destroyed buildings represent a loss of \$20,000, covered by insurance. The \$15,000 stock of the Butts Furniture Company, owned by A. L. Butts, was a total loss in the fire, and the \$3,000 stock of Mrs. Luella Noth's fashion shop was entirely destroyed. entirely destroyed.

#### Would Investigate Inspection Bureau

MADISON, WIS., July 3.—Although the Mauthe bill in the Wisconsin legislature, which would remove that part of the insurance law which makes it mandatory for stock fire companies operating in Wisconsin to belong to a rating bureau, was killed in the assembly and reconsideration was refused, Assemblyman Mauthe, will introduce a resolution for appointment of a joint legislative committee to conduct an interim investigation of the workings of the Wisconsin Inspection Bureau.

Inspection Bureau.

He declares that in its practical results the law "has created a price-fixing monopoly and the people must purchase

their insurance from this monopoly or go without the protection."

#### Hold Wisconsin Fire School

MADISON, WIS., July 3.—More than 300 men from about 80 Wisconsin cities were in attendance at the three-day sessions of the annual school for firemen at the University of Wisconsin, and heard speakers of national prominence speak on scientific methods of fighting flame and conflagration, while they watched a demonstration of actual methods of fire fighting given by a crack team of Milwaukee firemen who gave a similar demonstration at the University of Illinois.

The committee in charge of the short course consists of J. E. Florin, Wisconsin industrial commission; Richard Widman, Wisconsin Paid Firemen's Associa-tion; W. O. Wipperman, Wisconsin State Firemen's Association, and H. E. Pulver of the extension division of the Univer-city of Wisconsin.

#### Hail Damages Greenhouses

Hail Damages Greenhouses

MINNEAPOLIS, July 3—A severe hailstorm did considerable damage to plate glass windows, outside electric bulbs and green houses this week. Though the storm lasted hardly more than 15 minutes in any section of the city that it passed over, the toll in glass was uniformly great. The Chicago Avenue Floral Company lost more than 1,000 panes of glass in its 13 greenhouses. All the theaters with outside bulbs had to replace their lighting fixtures. Some of the hailstones were seven inches in circumference and most of them were the size of a golf ball.

#### IN THE SOUTHERN STATES

ASSURED GETS JUDGMENT

Newport Man Wins in His Fight When Companies Denied Liability in

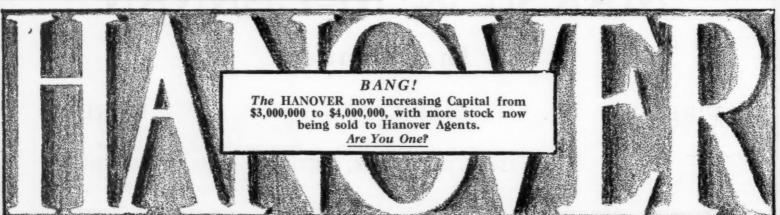
a Loss

The court of appeals affirmed the \$2,-The court of appeals amrined the \$2,-506 judgment awarded in the Campbell circuit court at Covington, Ky, in the litigation of Abe Colker, owner of the Newport Chewing Gum Company of Newport, Ky., against four insurance companies. On two occasions the circuit companies. On two occasions the chemical court ruled against the assured but he obtained reversals in the court of appeals. The Colker plant on East Southgate street, Newport, was destroyed by fire July 19, 1925, creating a loss of about \$150,000. When he sought to collect his insurance the companies denied about \$150,000. When he sought to col-lect his insurance the companies denied liability on the ground that the explo-sion of a moonshine still caused the loss and, therefore, the policies had been voided. The assured contended that he had rented that part of his plant where the still was located to a Cincinnati man and he had no knowledge of it being conducted in an unlawful manner.

The court of appeals held that Colker had no knowledge of the still. In its opinion the court said that if the owner had knowledge of this still his insurance would have been void.

#### RULES AS TO ALABAMA RETALIATORY STATUTE

The Alabama attorney general rules in reply to an inquiry from the insur-ance department as to whether or not outside fire companies are entitled to take credit for municipal fees and li-censes paid in Alabama since no such tax or license is required in their state, that the section of the retalistory code that the section of the retaliatory code does not operate to make the licenses or municipal taxes less on account of the fact that the state in which an out-side company is domesticated charges no such licenses or taxes. He said that the only provision in the Alabama section of the code providing for retaliation is that which provides retaliation against companies in other states which require Alabama corporations to make a greater deposit of securities. He states that the



\$10,021,458 NET SURPLUS

The HANOVER FIRE INSURANCE COMPANY of New York Charles W. Higley, Pres.

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July 4,

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question of taxes and licenses has no bearing on the retaliatory feature.

#### Recktenwald's Son Killed

Recktenwald's Son Killed

The young son of William J. Recktenwald of Lexington, Ky., connected with the local and general agency of Reutlinger & Co. of Louisville, and formerly manager of Reutlinger's Lexington office, which handled placing of all insurance of the Burley Tobacco Growers' Cooperative Association, was struck by an automobile in front of his home June 26, death following the following morning from a fractured skull. Mr. Recktenwald was in Louisville at the time of the accident, having attended the annual meeting of the Kentucky Association of Insurance Agents. The driver of the car stated that the child darted out from behind a parked automobile.

#### Now Located at Richmond

P. Lester Hawks, who was formerly a member of the general agency firm of Hawks & Schenck of Greensboro, N. C., is now located in his new office at 203 North Jefferson street, Richmond, Va. The general agency firm dissolved. Mr. Hawks is now general agent in Maryland, District of Columbia and Virginia for the American Equitable. American for the American Equitable, American Constitution Fire, American Home Fire, Law Union & Rock, London & Lancashire Indemnity, Merchants & Manufacturers Fire, New York Fire, Peoples National, Stuyvesant and Sussex Fire.

#### New Ruling on Pipe Vents

New Ruling on Pipe Vents
LOUISVILLE, July 3—The city building inspector of Louisville has ruled that iron pipe vents for gas appliances, gas stoves, etc., will be permissible where there is a two-ply air cell asbestos wrapping about the pipe, or where ventilators are surrounded by frame work. The decision was the result of many conferences and a ruling of the Kentucky Actuarial Bureau to the effect that higher rates would pertain to all vents not made of brick or flue lining, following at least one fire started from an improperly safeguarded vent. The code provides for at least four inches of brick surrounding a vent, but the inspector has ruled that iron pipe may be used. This does not comply with the Actuarial Bureau ruling, however.

#### Resign Milwaukee Mechanics

Willis, Johnson & Davis of Richmond, Va., have resigned the Milwaukee Mechanics, which had been in their office for upward of 25 years. The resignation, it was explained, was the result of the company being acquired by the Firemen's of Newark, which is under the ban of the National Association of Insurance Agents.

#### Young Heads Savannah Board

SAVANNAH, GA., July 3.—Louis C. Young was elected president of the Sa-vannah Board at its annual meeting held June 25. He succeeds William H. Ran-

kin.
Other officers elected are Charles Inglesby, vice-president, and Tom Myers, secretary, reelected. The election was at a dinner meeting and following the report of the retiring president, a number of interesting talks were made. Speaker stated that business has been good the past year, and the outlook for the next 12 months was reported as being still better.

#### Kentucky Notes

The Zurich Fire, Southern Fire and LaSalle Fire have entered Kentucky.

Frank C. Carpenter of Carpenter & Burba, Louisville, local agents, was called to Washington last week by the death of his brother, Rear Admiral John Slaughter Carpenter.

Clarence Polley, 46, prominent local agent of Pikeville, Ky., died there after an illness of several weeks. Mr. Polley was a member of the firm operating the Eastern Kentucky Insurance Agency.

George L Danforth, pioneer local agent of Louisville, was called to New Haven, Conn., by the serious illness of Mrs. Danforth, who was motoring through the east with relatives when stricken.

A fire with loss reported at \$72,000 hit Prestonsburg, Ky., in the eastern Kentucky mountains June 29. It destroyed the Morell Supply Company, furn-

iture and hardware, and caused small damage to several nearby concerns.

Harrison Planck, 88, of Flemingsburg, Ky., for many years a leading insurance agent in that city, is dead. He was actively engaged in business almost to the time of his death. He was one of the few remaining Confederate veterans in his county.

The National Underwriting Company of Louisville, capital \$5,000, has been incorporated by W. P. Pate, Frankfort, Ky.; McKay Reed and Stanley Reed, life agents of Louisville, and Guy H. Briggs, attorney for the Kentucky insurance department.

founders, has been in a hospital for several weeks as a result of injuries suffered when struck by a motor vehicle. She expects to be able to leave the hospital soon.

hospital soon.

Mrs. W. R. Dorris, 61, of Dixon, Ky., died at her home there of shock within 14 hours after the death of her husband, an insurance agent, who had been ill for several months. It was claimed that death was partly due to a breakdown in health due to the strain of a long period of nursing. A double funeral was arranged.

Miss Juliet Pirtle of the Pirtle Weaver & Menefee agency, Louisville, member of the firm and a daughter of one of its have been licensed in Alabama.

#### PACIFIC COAST AND MOUNTAIN

#### Bad Experience Usually Comes Later in Season-Seek to Improve Methods of Disposing of Slash

PORTLAND, ORE., July 3.—As is usually the case at this time of the year the business written through the year the business written through the logging pool since Jan. 1 shows an exceptionally favorable loss ratio, less than 20 per cent. Underwriters who recently visited the logging camps of the northwest in making a survey of this class of business were well pleased with the character of risks. However, starting usually in September, fires are especially heavy and companies genespecially heavy and companies generally report no profit on this class of insurance. The big reason for showing lack of profit lies in the crude methods the logging companies employ in disposing of "slash." Insurance men are endeavoring to interest loggers in fire prevention and have suggested that slash be burned only during the wet season, instead of in dry weather as at present.

Business written by the 75 companies which are members of the logging pool produces an annual average premium total of about \$225,000. While the class of insurance with its heavy loss record is now considered as an accommodation business, underwriters believe that once the problem of safe disposal of slash is settled logging risks will show a profit to the companies.

#### GILMORE IS COAST MANAGER FOR ALL L. & L. COMPANIES

SAN FRANCISCO, July 3.—William W. Gilmore, for the past nine years agency superintendent and assistant manager of the Pacific department of the London & Lancashire, Orient and Law, Union & Rock, has been appointed Pa-cific Coast manager of those companies and vice-president and manager of the London & Lancashire Indemnity, suc-London & Lancasnire Indemnity, succeeding George Ormond Smith, former manager of the fire companies, and Robert F. Bennett, manager of the indemnity company. Mr. Smith was seriously injured several weeks ago in an automobile accident and has retired as of June 30. of June 30.

of June 30.

Mr. Gilmore has been with the London & Lancashire for the past 19 years, starting as a special agent in 1910, after two years experience with the Pacific board. He graduated from the University of California as a civil engineer in 1906. In addition to the above companies under his jurisdiction he will manage the Safeguard for Wyoning and manage the Safeguard for Wyoming and

#### LOGGING POOL LOSSES LOW WOULD CHECK GRAIN LOSSES

#### Commissioner Fishback Arranges for Survey of Field by Washington State Fire Marshal

SEATTLE, WASH., July 3.—Further steps towards prevention of fire losses on grain, with a check-up of existing facilities, will be taken by W. A. Groce, fire marshal, who is being sent into eastern Washington by Commissioner Fishback to arrange a series of inspections before the crop is harvested. In 1928 crop premiums written totaled \$27. 1928 crop premiums written totaled \$27,-214 with losses of \$4,968. No losses occurred in 1927, when \$13,605 insurance was carried.

occurred in 1927, when \$13,605 insurance was carried.
Commissioner Fishback, discussing the grain belt, said:
"The grain belt is well organized to prevent fire losses. Not only are farmers prepared to respond to an alarm, but the people of the smaller towns who have deeped at when farm prosperity are dependent upon farm prosperity have their volunteers ready for service. "You will find all through the wheat belt that people have fire buckets, gunny

belt that people have fire buckets, gunny sacks soaking in water, hoes and shovels laid out where they can be gathered up at a moment's notice, thrown into an automobile and hurried to the fire lines. Through the big fields of grain swaths have been cut by the farmers who gather their feedstuff early and leave lanes along which backfiring can be started to confine fires to small area. I presume it is virtually impossible for a fire to spread over more than 1,000 acres now. "None of the other crops are seriously menaced by fire. Probably timber could be regarded as a growing crop but no fire underwriters have ever been venturesome enough to write fire in-

but no hre underwriters have ever been venturesome enough to write fire insurance for timber, although they do insure logging machinery and logs on the ground. Very likely, too, timber owners can do better through fire protection and to carry their own insurance than to pay rates that would be necessary for timber insurance. I do not expect to see such risks written."

#### Advertising Plays a Part

Howard B. Wade, Jr., agent at Burlingame, Cal., tells an interesting story in the latest issue of the "Hartford Agent." Getting into the insurance business in March, 1928, Mr. Wade has made an outstanding success in his territory, which he attributes largely to ritory, which ne attributes the part which advertising has played in the part which advertising has played in the part of his business. "What the development of his business. "What to do," how to do it and when to do it are interestingly told by Mr. Wade, whose article is entitled "We planned our work and then we worked our plan."

#### Confer on "Ad" Campaign

Fertig Takes General of Seattle

Charles T. Fertig of Colorado Springs, formerly connected with the state insurance department and well known in insurance circles throughout the state, has become the local representative in his home city for the General of Seattle. He has resigned as president of the local advertisements in all of the daily newspapers in those states. The campaign will commence in August and the advertisemence in August and the advertisements in all of the daily newspapers in those states.

tisements will appear twice a month covering a period of 40 weeks.

Representative local agents, special agents and general agents attended the meetings in the Pacific Northwest. Frank J. Agnew, assistant secretary of the Fireman's Fund; P. F. Garnett of the Pacific Board and Percy Long, assistant general counsel of the National Board at San Francisco, also attended the meetings. meetings.

#### Liquor Manufacture Doesn't Void Policy

The manufacture Doesn't Void Policy
The manufacture of intoxicating
liquor in a dwelling house does not relieve an insurance company from liability under fire according to an appellate court decision in the state of Washington in the case of Max Ragley vs.
Northwestern National Insurance Company. The clause in the policy representing that it was "occupied only for
dwelling house purposes" was held by
the court to be ambiguous, and construed
as favorable to the insured.

#### Southern California Fire Chiefs Meet

A meeting of the Southern California. Fire Chiefs Club was held at Ventura last week, when final plans for the attendance of a large delegation from that section at the annual meeting of the Pacific Coast Association of Fire Chiefs at Vancouver this month were completed. Jay W. Stevens, chief of the fire prevention bureau of the National Board, attended the meeting.

#### Pacific American Makes Field Changes

W. G. McLeod, formerly with the Amer-W. G. McLeod, formerly with the American Fore group, has been appointed special agent of the Pacific American Fire of Los Angeles for the five Bay countles with headquarters in Oakland. R. M. Carr, recently called to the home office as carr, recently called to the nome omce as assistant manager, will continue to su-perintend the business in northern Cali-fornia and will cover from his office the Salinas and San Joaquin valleys as for-merly. Stanley McPherson will continue as special agent for northern California, handling the Sacramento valley and the handling the Sacramento valley and the coast territory.

#### Report Made on Tucson

The engineers of the National Board in reporting on Tucson, Aris., say that the distribution system has been increased by approximately 27 miles of pipe since March, 1927. The total number of hydrants is 531. A bond issue for \$50,000 is to be placed on ballot to provide a new fire station in the western section of the city. The total number of men in the fire department is 29. The hose is inadequate.

#### Insurance Men to Address Fire Chiefs

Insurance Men to Address Fire Chiefs

Several insurance men are on the program for the annual convention of the Pacific Coast Association of Fire Chiefs in Vancouver July 23-26, including R. B. Swearingen of the America Fore group, who will discuss "Use of Concrete Reservoirs for Fuel Oil"; R. B. Matthews of the Home, on "Hazards of Oil Distribution"; Fire Marshal Frank Kelly of San Francisco, on the manufacture and use of cellulose lacquers, and Percy V. Long, assistant general counsel of the National Board, on a subject to be announced later.

Several additional topics of interest to insurance men which will be discussed at the convention include salvage work, use of dynamite during conflagrations, proper use of water on fire, rural fire protection and carbon dioxide as an extinguishing agent.

John H. Schively, secretary of the Insurance Federation of California, has been invited to deliver the memorial address. Mr. Schively is chaplain of the chiefs' association.

#### Berkeley Cases Compromised

Berkeley Cases Compromised

SAN FRANCISCO, July 3—A compromise of the subrogation suits brought by several hundred individuals and about 50 insurance companies against the Pacific Gas & Electric Company of California as a result of the Berkeley conflagration of 1923 has been effected and will be consummated if 90 percent of the individuals involved will agree to the terms. The suits originally amounted to about \$5,000,000 and the compromise is based upon a payment of 10 percent of this amount. The Globe & Rutgers, which carried a blanket policy on the electric company for \$1,600,000, will pay its limit of liability on a single fire,

which is \$250,000. The balance will be paid by the utility organisation. The suits were based on the contention that the fire was caused by the P. G. & E.

#### Says State Not in Hail Rusiness

DENVER, July 3.—T. P. Detamore, hail insurance commissioner of Colorado, says "the state of Colorado is not in the insurance business. It is a cooperative movement and the state machinery is made available for carrying it out," he made available for carrying it out," ne says. The farmers have responded very generally and the business is heavier than was expected, but there have not been any real hallstorms as yet to test the new plan. With hallstorms of any great magnitude, the \$15,000 appropriation and the premiums paid in could all he wined out in an hour's time. July 15 wiped out in an hour's time. July 15 is the last day that hall insurance may be obtained on this year's crops.

#### Finds New Mexico In Good Shape

DENVER, July 3.—The Globe Indemnity of Newark and the Empire State Fire have been licensed in New Mexico, and A. A. Bennett, field man for Cashman & Evans, Denver general agents, who has just returned from a 30-day trip, announces that local representatives for these two companies have been secured for practically every center in that state.

Mr. Bennett reports that business in New Mexico has recuperated wonderfully and that practically every section of the state is in excellent condition. The state, he says, has new banking strength,

the range and feed lots have been restocked with fine cattle and good crops, particularly cotton, abound.

#### Fellows Back on Coast

Fellows Back on Coast

SAN FRANCISCO, July 3—C. W. Fellows, president of the Associated companies of San Francisco, which include the Associated Indemnity and Associated Fire & Marine, returned to San Francisco July 1 after several weeks visiting the companies' new offices in eastern territory. While in New York Mr. Fellows conferred with William Leslie, general manager of the National Council on Workmen's Compensation Insurance, who is to become executive vice-president of the Associated organization Aug. 1.

#### Coast Notes

The first meeting of the California Blue Goose will be held July 5 in Los

A fire which caused approximately \$100,000 damage swept the business district of Pomona, Cal., destroying the Valley Box Company's plant, half of Curran Brothers lumber yard and four ran Brother freight cars.

After an effort extending over a period of three years, Reseda, a suburb of Los Angeles, will soon be protected by a fire station and paid firemen. The council will recommend the expenditure of \$25,000 for the establishment of a fire house and equipment. Volunteer firemen will be discontinued with the employment of a paid force.

EASTERN STATES ACTIVITIES

#### DUNHAM GIVES A WARNING | PHILADELPHIA LOSSES LOW

#### Connecticut Commissioner Calls Attention to Danger of Dealing with Unlicensed Companies

Insurance Commissioner Dunham of Connecticut is confronted with the problem of unauthorized companies oper-ating in the state. He declares that they are flooding the state with pam-phlets and letters soliciting business. They do their business entirely through mail. This is especially so with outside mutuals that are soliciting physicians and surgeons for life, health and accident business. Commissioner Dunaccident business. Commissioner Dun-ham says that these companies on investigation are found to have very limited resources. Some of the small stock companies are soliciting business in this

Way.

He said that under a new law passed by the Connecticut legislature at its re-cent session it is unlawful for any cor-poration or individual to aid unlicensed companes to obtain business in the state by publishing their advertisements or by any other means. Some of these companies have been using the news-papers and radio to advertise. Compapers and radio to advertise. Com-missioner Dunham advises the citizens not to transact business with any un-authorized company. He said that they have no advantages to offer the public which the licensed companies do not extend. To bring suit against an unauthorized company is a difficult mat-ter. Admitted companies are held reter. Admitted companies are held re-sponsible for all legitimate claims and they can be gotten at locally.

#### More New Jersey Examiners

With the growth of the insurance business in New Jersey and the considerable number of new companies recently formed in the state, as well as of outside interests licensed within the territory, the insurance department has engaged four additional examiners, all of whom have been assigned to the of whom have been assigned to the Newark office, of which William B. Wiegand is manager.

Harry M. Wolf of M. Wolf & Son, well known Baltimore insurance brokers, is able to be back in his office again for a few hours each day. Mr. Wolf was confined to his home with a breakdown caused by over work.

#### Some Companies Hard Hit on Jumbo Lines But General Experience Is Favorable

-With PHILADELPHIA, July 3. first half of the 1929 season over, the prospects seem bright for Philadelphia en-joying the lowest fire loss ratio in its history. Several of the companies, how-ever, will have loss ratios higher than rusual. In the early months of 1928 Philadelphia had an unusually large number of preferred risk losses—mainly on private dwellings. That meant that the average loss was small and spread out among all the companies. This year, however, the number of losses has been much smaller but the average loss has been considerably higher, due to the fact that a large number of them have been on jumbo risks.

Those companies writing, or accept-ig, business on jumbo or hazardous ing, business risks in Philadelphia are not finding their experience so satisfactory this year. During the past few weeks, two jumbo losses caused a loss aggregating something over \$500,000. One of the risks, which the loss is expected to total \$300,000, would have been considerably higher except that no U. & O. was carried. The plant is filling an order for the Ford Motor Company and when the fire destroyed it the Ford interests sent one of their men to Philadelphia, with the result that the plant was in opera-tion again four days after the fire. Had U. & O. been carried, recovery might O. been carried, recovery might not have been as prompt.

In general, however, losses are even

lower than usual this year, despite the large jumbo losses and, while some of the companies may have large loss ratios, the majority of them will enjoy a better year than usual.

#### Corrective Measures Passed

HARTFORD, CONN., July 3 .-HARTFORD, CONN., July 3.—The Connecticut legislature passed two drastic insurance measures at its 1929 session, affecting "unauthorized insurance" and "twisting." The Connecticut insurance department was given an effective weapon against the so-called bootleg insurance evil. The new law provides a penalty for alding any corporation, association or person not authorized to

#### General Chairman



Head of New England Associations Insurance Agents Advisory Board, Who Has Charge of the Annual Convention at Bretton Woods, N. H.

do business in Connecticut in securing

the business of residents by means of advertising in publications or broadcasting over the radio.

The law against "twisting" provides a penalty for misrepresenting or making incomplete comparisons of an insurance policy of one company for the purpose of inducing an insured to surpurpose of inducing an insured to surrender his policy and place it with an-other. It prohibits agents from misrep-resenting in any way the conditions of settlement contained in any contract of

#### Help Fight Canadian Blaze

BUFFALO, N. Y., July 3-International precedent was created when Buffalo fire companies were summoned last week to companies were summoned last week to help fight a blaze which was threatening the business district of Fort Erie, Ont., at the Canadian end of the Buffalo-Fort Erie bridge. Customs and immigration officials decided to forego all formalities

and waved the firemen past them on both the going and the return trip be-tween the two countries. Help was needed as 10 Fort Eric firemen were injured or overcome by smoke while fighting the blaze, which caused \$40,000 loss,

#### Charnock Leaves Bureau

BOSTON, July 3—H. Irving Charnock, who for the past five years has been associated with the New England Insur-ance Exchange in its branch offices, and more recently in the schedule rating department of the Boston office, has resigned to become connected with the service department of Elmer A. Lord & Co. as assistant engineer and special

Previous to Mr. Charnock's service with the New England Exchange he had several years training as inspector for the Underwriters Bureau of New Eng-land, now known as the Eastern Under-writers Inspection Bureau.

#### Twister Does Damage

BUFFALO, July 3-A twister swept in from Lake Erie June 28, demolishing from Lake Eric June 28, demolishing lake shore cottages near Angola, uprooting orchards and then lifting until it reached the vicinity of Kane, Pa., where it did tremendous plate glass and other damage. The loss in the two Buffalo suburbs is estimated at more than \$200.000.

#### Rochester Board Plans Outing

ROCHESTER, N. Y., July 3-Members of the Underwriters Board of Rochester will have their annual outing Wednes-Jay afternoon, July 10, at Manitou Beach. All board officers have been asked to close at noon, so that all of their em-ployes can attend the outing. W. Staun-ton Moylan is general chairman of the committee in charge.

#### Eastern Notes

The Hudson, which was recently admitted to Maryland, has been placed in the office of J. Lindsay Clark Co., Balti-

Bailey, Barnes Company is a new agency at Worcester, Mass., with Lester V. Bailey and Charles E. Barnes as the main factors.

Fire in the lumber district of North Tonawanda, N. Y., June 27 caused loss estimated at more than \$100,000. The blaze was confined to the storage yards and sheds of the Ray H. Bennett Lumber Company in that city.

#### MOTOR INSURANCE NEWS

#### NO AGREEMENT ON COLLISION | DECIDE AUTOMOBILE CASES

#### Fire and Casualty Companies Unable to Get Together on Rates for Eastern Territory

NEW YORK, July 3.-Assuming that current reports on the subject are cor-rect, there is little likelihood of the fire and casualty underwriters coming to an agreement in the matter of rates for automobile collision coverage throughout the eastern territory. In years past the two interests have issued the same tariffs for this type of business in the east and the south, though the charges varied widely as between the two forms of carin the west and on the Pacific Coast.

Both the fire and the carualty men have been working up experi ace figures in an endeavor to arrive at a uniform rate for the eastern territory but thus far the effort has been unavailing. A joint meeting of representatives of the Eastern Automobile Underwriters Conference and the National Bureau of Casualty & Surety Underwriters to consider the matter was to have been held July 2, but has been deferred to an indefinite data. definite date. Meanwhile the fire men are reported as determined to put their rates into effect, regardless of whether the casualty companies follow suit or

#### Two Important Decisions That Were Recently Rendered by Higher Courts Over Mooted Points

Where plaintiff insured his automobile against fire and theft with the New Jersey, and later procured other insurance without permission, the policy of the New Jersey was void. Policy con-tained a loss payable clause to holder of chattel mortage. Chattel mortgagee cannot be subrogated to right of assured because the assured has no rights under the policy. Section 9584 of the general code does not apply to personal property. New Jersey Ins. Co. vs. Bell, Sup. Ct., Ohio.

Application for insurance represented nat truck insured was a 1923 model, that truck insured was a 1923 model, whereas it was a model of 1917 or 1918. Application also represented that plaintiff had paid \$2,000 for the truck, whereas he had paid only \$1,000. The same misrepresentations were in the proof of loss. The application was made out by the agent of the company. The company denied liability on the ground of fraudulent misrepresentation in the application and in the arcof. The interof fraudulent misrepresentation in the application and in the proof. The jury decided against the company and the court refused to disturb the verdict. July Morg Sup.

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Morgan, et al. vs. Union Automobile, Sup. Ct. of Wash, dept. 2.

#### Form New Iowa Auto Mutual

A new automobile mutual to be known as the Central States Mutual has been organized in Mt. Pleasant, Ia. Although the charter gives it permission to operate throughout the state, its work will be confined for the present to Henry and neighboring counties. E. A. Hayes is president; H. H. Hills, vice-president; May Kinney, secretary, and R. P. Bowers, treasurer.

#### Expose Wisconsin Theft Ring

Expose Wisconsin Theft Ring

Exposure of what federal officers believe to be the most extensive automobile theft ring Wisconsin has ever harbored is seen in the arrest of William Donatella and Patrick Ritchie by Deputy United States Marshal Fuley at Cumberland, Wis. The defendants are charged with storing stolen cars, and will be arraigned under the Dyer act.

Donatella, a farmer near Cumberland, is alleged to have worked with Ritchie, who runs an auto repair shop in that town, in hiding the cars in rented barns near Cumberland, to await the "blowing over" of attention to their theft. It is alleged that the defendants worked with Robert Goodenough and Lawrence O. Gugler, who were killed in an attempt to hold up a drug store at Tulsa, Okla, May 4, 1929. They were in charge of stealing the cars and bringing them to Cumberland for storage, the officers claim.

#### No Insurance With Club Membership

OKLAHOMA CITY, July 3.—Automobile clubs of Oklahoma are not licensed to sell insurance in the state, and the penalty for any agent who sells automobile club memberships with the representation that insurance is included will be cancellation of his license. Warning Warning

to that effect has been issued by A. La Roark, secretary of the insurance board. Many people in Oklahoma are under the impression when buying automobile club memberships that they are buying property damage, collision and public liability insurance, he said. Some of the agents of the clubs may be selling insurance as well as club membership, but surance as well as club membership, but any agent who sells auto club member-ship, giving the client the impression that his membership includes insurance protection, is subject to revocation of his license.

#### Union Automobile Figures

The financial statement of the Union Automobile of Los Angeles as of May 1 shows assets \$3,395,667, liability loss reserve \$691,353, premium reserve \$1,303,547, capital \$300,000, net surplus \$316,318.

#### Civil Suits Only Remedy

Civil Suits Only Remedy

MILWAUKEE, July 3.—Civil suits to seek the return of their money is the only legal recourse of members of the Wisconsin Automobile Service association who have complained to the district attorney's office that they had been duped by salesmen of the association in paying from \$28\$ to \$47.50 for contracts which they allege were represented to provide far greater benefits than actually promised in the policy, according to an announcement by Assistant District Attorney Skogmo. Investigation by his office showed that the dozen salesmen involved in the alleged fraudulent sales had disappeared.

#### Will Pay 60 Percent

SEATTLE, WASH., July 3.—Payment of approximately 60 percent of approved claims of the defunct Auto Insurance Exchange, Seattle reciprocal, will be made, according to F. L. Houghton of the Washington department.

#### IN THE CANADIAN FIELD

OTTAWA, ONT., July 3.—A judgment of extreme importance to fire insurance companies and tenants of apartment houses, hotels or other public stopping places was rendered in the Ontario court by Justice O'Brian.

Ontario court by Justice O'Brian.

The judgment establishes the principle that where a fire may occur in any of the places mentioned, and tenants suffer loss thereby, if they can prove the owner of the building or his or her servants have been guilty of negligence and so became a contributory cause to the fire, he or she can be sued for damages. damages.

On Jan. 14 last a fire occurred in an apartment house in which a tenant suffered loss. The interested insurance companies paid the loss to the building but the tenant could not recover and the owner refused to reimburse the tenant.

The case was taken to court, and the court held that the actions of an employe of the owner had constituted negligence which had been a contributory factor to the starting of the subsequent fire and found in favor of the

OWNER LIABLE TO TENANTS

Ontario Court Holds They Can Recover on Loss by Fire Caused by Employe's Negligence

OTTAWA, ONT., July 3.—A judg-

#### Accountants' Association Formed

An Insurance Accountants' Association has been organized in Montreal, and at a recent meeting the following officers were elected: President, Mr. Fiske, Mount Royal; vice-president, J. F. Howell, Western; honorary secretary, M. Brettingham, Yorkshire; honorary treasurer, S. B. Scott, United States Fldelity & Guaranty.

#### Add to Investigation Staff

WINNIPEG. July 3.—C. A. Ramsay, former detective staff sergeant of the criminal investigation bureau of the Royal Canadian Mounted Police, has been appointed to represent the Fire Underwriters' Investigation & Cass Information Bureau, He will be Loss Information Bureau. He will be stationed here and will have charge of Winnipeg, Regina and Edmonton. Owing to the increase in work of the bureau, five additional men are to be placed on the staff as soon as the men are found.

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Institute of Toronto at the annual meeting. V. Evan Gray, counsel of the Canadian Casualty Underwriters' Association, occupied the chair. The treasurer's report showed a total membership of 1,634. Other officials elected are: Vicepresident, A. W. Goddard; secretarytreasurer, C. Elvins; librarian, H. Churchill-Smith; council, L. K. File, Colin E. Sword, C. S. Macdonald, C. H. Fuller, S. G. Reid, C. P. Muckle, J. C. Parker, W. R. Houghton, J. H. Lithgow, C. S. Malcolm, J. W. Fisher, W. G. Gallow, W. A. Thomson and the past presidents. Institute of Toronto at the annual meet-

#### To Be Dominion of Canada General

The Dominion of Canada Guarantee & Accident is changing its title to the Dominion of Canada General Insurance Company. This change has been approved by the senate committee of parliament, and the company is given power at the same time to increase its capital from \$1,000,000 to \$6,500,000.

#### Reciprocals Open Office

V. W. Gerrish, Canadian manager for Ernest W. Brown, Inc., of New York City has established quarters in Toronto, where he will represent the Individual Underwriters, New York Reciprocal Underwriters, Affiliated Underwriters, Fireproof Sprinklered Underwriters and proof Sprinklered Under Metropolitan Inter-insurers

#### Will Discuss Hospital Hazards

At the smnual meeting of the Canadian fire marshals at Ottawa, Ont., July 4, G. F. Lewis, deputy fire marshal of Ontario, will give an address on "Unseen Hazards in Hospitals, Clinics and Other Institutions." The subject of nitro-cellulose fire hazards will also be a topic of discussion.

#### Consider Mutual for Schools

REGINA, SASK., July 3.—The estab-lishment of a system of mutual fire in-surance for all the schools in western canada was one of the main questions at a two-day session of the executive committee of Saskatchewan School Trus-tees Association, held at Regina last week.

#### Vancouver Agents Elect

Vancouver Agents Elect

VANCOUVER, B. C., July 3.—At the annual meeting of the Vancouver Fire Insurance Agents Association, with President John W. Wilson in the chair, the following officers were elected for the ensuing year: President, Ernest F. Gunther; vice-president, Seymour Johnson, A. E. Austin & Co.; secretary-treasurer, George L. Schetky; executive committee, W. O. Banfield, H. J. Cave, H. Garvin, H. B. Holland and John W. Wilson.

#### Plan Canadian Fire Waste Council

At the executive committee meeting of At the executive committee meeting of the National Canadian Chamber of Commerce, held in Montreal, the work of the Canadian Fire Waste Council was discussed and arrangements made for presentation to the Chamber's convention in Alberta next September of the plans for a national inter-town and city competition in 1930, and for the awarding of shields to the municipalities which have shown the greatest progress in the restored shown the greatest progress in the re-duction of fire loss, in fire prevention educational activities, and in the most

permanent structural and protective im-

#### Entering British Columbia

SEATTLE, WASH., July 3.—Entrance of the National Union Indemnity and National Union Fire (automobile department) into British Columbia is announced by M. Harry Peyton, manager of the Seattle service office. The companies will supervise the business through the Seattle office and will not maintain a special British Columbia headquarters.

#### Heavy Loss on Convent

The Convent of the Sacred Heart at Sault Au Recollect, near Montreal, was completely destroyed by fire during a cyclone which swept Montreal and vicinity. A bolt of lightning struck the convent, setting fire to the roof, and the fire raged for hours. Four firemen were injured. The total estimated damage is placed at near \$1,000,000, while the insurance carried is only \$200,000.

#### Harris Is Branch Manager

Thomas D. Harris has been appointed branch manager at Winnipeg for the Employers Liability and Merchants Marine. succeeding S. A. Cracknell, who has resigned to enter the agency business. Mr. Harris has been an inspector for the companies for some time and is well-known in Winnipeg.

#### Losses Show Increase

According to the "Monetary Times," fire losses in Canada, for the week ending June 19, 1929, are estimated at \$329,500, as compared with \$308,000 for the corresponding week of 1928.

From January 1 to June 19, 1929, fire losses in Canada are estimated at \$11,-113,300, as compared with \$9,911,900 for the period covering January 1 to June 20, 1928.

#### Quebec Blue Goose Has Golf Tourney

The Quebec Blue Goose will hold its annual spring golf tournament and qualifying round for the Blue Goose trophy July 10. Arrangements for the event are in charge of a committee headed by A. M. Stewart.

#### Canadian Notes

W. T. Maudsley, general manager of the Yorkshire, who is now visiting in the United States, is shortly expected to make an extensive tour of Canada.

The West Coast Grain Company terminal elevator in East Calgary, Alta, was completely destroyed by fire last week. The loss, covered by insurance, is estimated at \$100,000.

Ernest A. Wilburn has been appointed inspector for western Ontario for the General Casualty of Paris. Formerly he was associated with the General Accident group. dent group

"Your Opportunity to Earn More" is the title of the booklet describing The A. & H. BULLETINS. It contains a few words addressed to the agent who wants more income for his work. This service can and will show you that opportunity. Write The National Underwriter Company, 420 East Fourth street, Cincinnati, O., for this booklet.

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#### MARINE INSURANCE NEWS

Rapid Extension of River Transportation Results in Increased Fire Hazard to Boats and Equipment

LOUISVILLE, July 3 .- Rapid increase in river transportation on the Ohio river, with many merchandise, oil and other barges propelled by push or tow boats, is resulting in increased fire hazards to river equipment. A few weeks ago an oil barge exploded at Jeffersonville, Ind., while a mechanic was working on it with a welding device. A steamer was set on fire by the barge before it could be cut loose.

barge before it could be cut loose.

Last week two small towboats were bringing in two barges of oil, containing 7,000 barrels, when one of the boats (the Ruth), took fire while entering the Louisville harbor. It was cut loose and deserted, to float down on the pump boat and derrick boat equipment of the Nugent River Sand Co., causing \$3,000 damage to this equipment and to two small towboats, the M. Daugherty and Catherine Nugent. The Ada, the other boat, landed its tow and went after the burning boat, pulling it into deep water where it sank. Loss was given at \$7,000. Both boats were owned by Gran Dean of Frankfort, Ky. There Gran Dean of Frankfort, Ky. There have been several river boat fires in the past few months.

Idea Not Abrogated (CONTINUED FROM PAGE 3)

Louis agents, he said, are notably interested, with those of other centers scarcely less so.

The situation with respect to cotton insurance, according to a special com-mittee that investigated the subject, is mittee that investigated the subject, is such that a return to the commission rate formerly paid agents upon the business is not warranted. The executive committee will continue to cooperate with the special cotton committee in watching developments on this important line.

The action of the Episcopal Church in launching a fire company for insuring its properties was vigorously pro-tested and it was decided to bulletin all state association units, asking members, who are likewise members of the Epis-copal Church to protest the movement the local rectors, and through them the higher church officials. It was assumed that a member of every Epis-copal Church in the country now con-trols the insurance on the local prop-erties. If the business is to be given to the New York City corporation, the agents, it is recognized, will suffer.

Unfavorable Features Shown

It is further felt that the contribution made by the local agent to his home church is considerably in excess home church is considerably in excess of the saving, or purported saving to be effected through the proposed new arrangement. Therefore, if the local agent should withdraw his financial support from the church, the latter would be the loser in actual money. To state the proposition in another way, a local church before it engages in an enterprise of this kind must assume that it will in no way icopardize the conit will in no way jeopardize the con-tributions made to it by local agents. Eight members of the executive com-

mittee gathered at Cleveland, it developed incidentally, were either directly or through members of their families contributors to the Episcopal church.

The budget of operating expenses for the fiscal year, Sept. 1, 1929, to Aug. 31, 1930, submitted by the finance committee to the executive committee, was approved. It provides not only for carrying on present lines of effort, but for opening new avenues during the period in question. riod in question.

comprehensive report submitted

OHIO RIVER LOSSES INCREASE | IEWELERS' BLOCK PROFITABLE

Companies That Underwrite Line Carefully Make Money on It, Marine Men Report

Companies writing the jewelers' block line are holding hard to the business they have, and are seeking more, even though one now and then complains that the line is unprofitable. Several marine offices that write the line through their

offices that write the line through their inland departments reported this week that the companies that underwrite the business carefully have made money on it, and likely will continue to do so.

A few years ago Lloyds of Londom began to write the line, but according to several experts, hardly to underwrite it. The organization "picked rates out of the air," according to American underwriters' reports, with the result that many losses were taken. When the American companies began to take jewelers' block business they also began American companies began to take jewelers' block business they also began to underwrite it, although even some of the American companies have been lax in insisting on protection in the way of electric and gas devices for stores and offices. With the inauguration of careful underwriting, the line became more attractive and the American companies went out of the red on it.

The worst jewelers' block risk is the merchandiser of unmounted precious stone, especially the loose diamond merchant, whose salesmen go about the

chant, whose salesmen go about the country with thousands of dollars worth of unmounted diamonds on their persons and in their luggage and are the prey of every burglar and bandit in the racket. Most of these salesmen travel out of New York, and most of the losses out of New York, and most of the losses occur outside that city. Some companies will not accept the risk of this business, in part because of the carelessness with which many of the gem merchants conduct their affairs, and in part because of the difficulty of identifying stolen loose gems. "Hot spots" in the loose gem line in the last year have been the cities of the central northwest.

For the rest, almost any jewelers' block risk can be written at a profit if the company interested in a line will insist that the prospect improve his method of protecting his merchandise. Insistence on this kind of protection is a part of intelligent underwriting.

a part of intelligent underwriting.

for the committee on public relations and education by its chairman, Earl E. Fiske, elicited warm commendation from the executive committee members, who later gave Mr. Fiske a vote of thanks "for his untiring energy and his intelligent development of the work."

Yet another of the important matters reviewed by the committee was the forreviewed by the committee was the formation of an associate membership in order that the true strength of the association may be disclosed. The present membership of the organization-over 11,000—merely represents that number of offices. It is intended to make a survey of the member offices to learn the exact number of licensed. learn the exact number of licensed agents holding membership in the firms and corporations, and to create an associate membership for them. Details of the plan will be worked out at the

Detroit meeting.

A canvass of the association membership revealed that the organization is within striking distance of the second year's 10 percent increase called for by its five-year development program.

gram.

The gathering at Cleveland was well attended, all members of the executive committee, except Percy H. Goodwin of San Diego, Cal., being on hand. W. B. Calhoun, chairman of the finance committee, and Earl E. Fiske, chairman of the committee on public relations and education, were also in attendance.





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# The National Underwriter

July 4, 1929

### CASUALTY AND SURETY SECTION

Page Thirty-seven

# **Bureaus Looking** for Guiding Man

No Choice Has Been Made for Managers of Two Organizations

DIFFICULTIES ARE SEEN

National Bureau of Casualty & Surety Underwriters and National Council in Search for Heads

NEW YORK, July 3.—Search is still being made for a general manager for the National Bureau of Casualty & Surety Underwriters, and also for a general manager for the National Council on Compensation Insurance. Neither the special committee of the former body nor the governing committee of the latter, charged with the respective tasks, has been able to secure the right men for the highly responsible offices. While the two organizations are distinct and separate the problem of securing a manager for each is somewhat related and measurably complicates the

When the reorganization plan of the National Bureau was agreed upon several months ago, it was recognized that its success would depend in no small degree upon the character of the man selected as general manager. It was realized that the person chosen should be a casualty man of ripened experience, familiar not alone with the technical phases of the business, but acquainted with and in sympathy with the prob-lems of the field force. It was further agreed that he should be a diplomat, capable of straightening out agency questions, and of dealing with state commissioners when matters of general concern were up for review.

#### Leslie Held to Be Logical Man

By common consent the man possessing the requisite qualities in eminent degree was William Leslie, ger manager of the National Council. actuary by profession; skilled actuary by profession; skilled in statistical work and through years of experience with various phases of casualty insurance, Mr. Leslie was known to and possessed the confidence known to and possessed the confidence of all types of casualty underwriters the country over. When he was approached upon the question of assuming the general management of the National Bureau he frankly refused to consider it, declaring that having devoted six years of earnest effort to the upbuilding of the National Council, which embraces within its membership non-stock as well as stock carriers, he could not conscientiously ally himself with an organization pronouncedly with an organization pronouncedly antagonistic toward it. Mr. Leslie's later acceptance of the executive vicepresidency of the Associated Indemnity San Francisco, effectually removed

May Have Joint Arbiter in Chicago Territory

AGENCY COMMITTEES TO ACT

Feeling Prevails That One Official Parent Company Will Have Supervision Could Act for Both Casualty and Surety People

NEW YORK, July 3.-Within a few days it is expected a joint meeting be-tween sub-committees of the national agency committee of both the Casualty and the Fidelity and Surety Acquisition Cost Conferences and representatives of the agents' associations in Chicago will be held to consider the advisability of employing a common arbitrator to han-dle mooted questions arising under the rules in Cook county affecting both di-

visions of business.

The thought heretofore has been to secure an arbitrator for surety and fidelity lines alone but the later suggestion is that the same party could with equal facility act for casualty business as well. A special committee of the national committee of the Casualty Acquisition Cost Conference is studying a possible revision of the regional and general agency limitation quotas provided for under the rules for each state. While it under the rules for each state. While it is not thought likely there will be any additions granted in the more settled commonwealths, the assumption is that increases will be recommended in several of the states of the south and southwest. The population of these has increased very materially since the limitation rules were adopted a number of years ago. vears ago.

him from consideration in connection with any association body.

# Others Being Considered

Other names, mainly those of executives of present companies, have been reviewed, only to be discarded for one reason or another. The type of man wanted for the general management of the National Bureau is preferably one who has demonstrated his success as an official of a capalty company, and men official of a casualty company, and men of such accomplishment are loth to consider the surrender of positions they consider the surrender of positions they now hold, for the uncertain tenure of an association. It may be however, that such a man can be induced to accept the proposition under a three or five years' contract, with guaranties from leading individual member offices. While the committee has not yet been successful in its quest, it is by no means discouraged, feeling confident that soon relate the right man will be secured. or late the right man will be secured.

#### Executive Staff in Charge

It was assumed that the governing committee of the National Council would have secured a successor to Manager Leslie by now. Its failure to act, however, is construed to mean that the work of the organization will be carried on by the executive staff, with possibly some member, being naved as acting some some member being named as acting chief, pending the selection of a permanent appointee. In view of the strained relations existing between the stock and non-stock members of the council, and the desire of the former to withdraw from the organization and

American Surety Begins Writing All Classes

WILL BROADEN ITS SCOPE

Over the Surety Business of New York Casualty

NEW YORK, July 3.—All details in connection with the affiliation of the New York Casualty with the American Surety having been concluded, the latter company this week began writing all casualty lines in addition to feed it. casualty lines in addition to fidelity, surety, burglary and plate glass, which it previously issued this week.

The parent corporation will have direct supervision over fidelity and surety

rect supervision over fidelity and surety business for both institutions, while the New York Casualty will handle the strictly casualty lines. Col. Harvey L. Jones, vice-president of the latter organization, has immediate charge of the casualty business. T. W. Roberts, recently manager of the Baltimore office of the National Bureau of Casualty & Surety Underwriters, has joined the staff of the New York Casualty as head of its compensation department, reporting to J. P. McGowan.

S. B. Brewster, assistant secretary of the American Surety, will direct the ac-

S. B. Brewster, assistant secretary of the American Surety, will direct the activities of the burglary department of the two organizations, while Secretary F. E. Poehl of the New York Casualty will be in control of the plate glass division. The production department for the American Surety and the New York Casualty is managed by Vice-President W. E. McKell of the former company. With 15,000 agents, the American Surety With 15,000 agents, the American Surety maintains 40 branch offices and six serv-ice branches in different sections of the country, to whom the entry of the com-pany into the general casualty field will afford increased underwriting facilities.

have their compensation line handled by the National Bureau, it will be no easy task to get a thoroughly expe-rienced and all-'round competent man to take the position so ably filled by Mr.

Again, it is suggested that perhaps Again, it is suggested that pernaps the mutual and reciprocal members of the council are playing a waiting game, feeling that the next move with respect to the future of the body is up to the stock companies. Until the hand of the latter is shown, the non-stock people will not care to act.

#### Lincoln Company Is to Put on Much More Steam

The Lincoln Health & Accident of Oklahoma City has reincorporated and changed its name to the Lincoln Life & Accident. Its capital is increased to \$200,000 from \$50,000 on the stipulated premium plan. The same officers remain, P. K. Smith, president; John T. Acree, vice-president, and W. J. Durkee, secretary-treasurer.

The company has been making good

progress, writing \$1,600 of weekly premiums the first half of 1929, against \$1,000 for the entire year 1928. The company now has a weekly debit of \$8,000.

# **Optimistic Over Auto Situation**

Stellwagen Calls Merit Rating Outgrowth of Fleet Experience Schedules

#### ADDRESSES VIRGINIANS

Theory of New Plan Here to Stay Although Details of Operation May Be Revised

Characterizing the automobile insurance business as most encouraging, H. P. Stellwagen, assistant vice-president of the Indemnity of North America, addressed the Virginia Association of Insurance Agents at Alexandria last week on the development of automobile insurance. He said that the trend of rating, the demand for higher limits, development of new forms of coverage and the trend of automobile insurance legislation are distinctly on the positive side and justify a feeling of optimism re-specting the future development of the

"Automobile casualty insurance," he said, "is potentially a billion dollar business, and a realization of that goal is ness, and a realization of that goal is entirely possible if we shift the emphasis from the one car insured to the four cars uninsured, and if we have the vision and the courage to carry through to their logical conclusion the fundamental principles of stock company rating and underwriting and apply those principles to the job ahead."

#### Outgrowth of Fleet Rating

Exemplifying merit rating as the logical outgrowth of experience rating for fleets, Mr. Stellwagen said that experience rating has proved itself to be the necessary and inevitable development of classification rating. "Stripped of all theories and technicalties," he the necessary and inevitable develop-ment of classification rating. "Stripped of all theories and technicalties," he said, "rate making means taking into account all of the available evidence respecting a hazard and fixing an insur-ance cost on the basis of that evidence. Classification rating does not take all the evidence into account because it submerges the characterstics of the in-dividual risks in the mass characteristics of the group.'

#### Insufficient to Measure Hazard

"Several years ago," he said, "it became noticable that the classification system of rating, good as it was, was insufficient to properly measure the haz-ard presented by a number of individual It was found, for example, that a fleet of 50 delivery trucks, operating in a given city, produced an experience a given city, produced an experience much worse than the average experience of all trucks in that city, and it was also found that another fleet of 50 delivery trucks in the same city produced an experience far better than the average. In other words (CONTINUED ON PAGE 47)

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#### Aetna Opens New Detroit Branch; Horton Is Manager

#### MOVED FROM GRAND RAPIDS

Started with Company as Clerk in Home Office at 18-Crowder Grand Rapids Assistant

A branch office has been opened at Detroit under the supervision of John F. Horton, manager, for the handling of all casualty and surety lines written by the Aetna Life and affiliated companies. The territory served by the branch office, which will be located in the Penobscot building, will be that part of the lower peninsula of Michigan east of and including Hillsdale, Jackson, Ingham, Clinton, Gratiot, Isabella, Ingham, Clinton, Gratiot, Isabella, Clare, Roscommon, Crawford, Otsego and Cheboygan counties. The branch will represent the Automobile and Standard Fire of Hartford for fire and marine business in Detroit.

#### Bosquett to Report Direct

T. J. Bosquett, who for many years has represented the Aetna in Detroit and has developed a volume of business there, will continue to represent the Aetna companies in Wayne county, enjoying equal privileges with the Detroit branch in that territory and reporting his business, including that of his office associates, direct to the home office.

Mr. Horton, manager of the new Detroit branch, has been for the past six years manager of the Aetna branch office at Grand Rapids, Mich., which post he will continue to hold. He started with the Aetna as a clerk in the home office accounts department at the age of

with the Aetna as a clerk in the home office accounts department at the age of 18. In 1911 he was made cashier of the Philadelphia branch and in 1918 was appointed manager of the Lansing branch office. With the discontinuance of that office in 1923, Mr. Horton was moved to Grand Rapids, where he has built up am agency organization that is an outstanding tribute to his qualities of leadership.

Harry J. Crowder, chief underwriter of the Grand Rapids office for several years, has been appointed assistant manager and will have charge of that office

ager and will have charge of that office under Manager Horton's supervision.

#### Plate Glass Premiums Reported by Bureaus

NEW YORK, July 3.-Plate glass insurance premiums in 1928 as reported to the two rating bureaus aggregated to the two rating bureaus aggregated \$12,139,652. As the figures of several important companies were not received the returns do not tell the entire story. The total as given in the Argus chart is \$14,739,348, a reduction of almost \$1,000,000 from the previous year. The reduced income was mainly caused by the gate changes adonted in 1928, the the rate changes adopted in 1928, the reduction in New York state, in which a heavy volume of plate glass business is written having been 16½ percent, while that in other sections varied with the regional loss experience.

#### Some Bill of Fare at Travelers Field Day

HARTFORD, July 3.—The annual field day of the Travelers represented one of the largest outdoor affairs ever attempted in the east, with an attendance of 6,000. Some idea of its magnitude is found in the fol-lowing figures applying to the bill of fare: 4,700 pounds of tender-loin steak, 8,000 ears of corn, 15,-000 potatoes, 18,000 rolls, 12,000 bottles of soda, 78 bushels of string beans, 350 gallons of coffee, 280 gallons of mushroom sauce and 24,000 ounces of salted nuts.

# Compulsory Law Effects Summarized

A summarization of the effects of the assachusetts compulsory automobile bility law was given at the Virginia suits and crooked, fraudulent claims, Massachusetts compulsory automobile liability law was given at the Virginia Association of Insurance Agents' meeting by Austin J. Lilly, general counsel of the Maryland Casualty. It follows: "Automobile registrations decreased by 9,000 cars during the first year the

was in effect.
Automobile fatalities increased from

681 to 698, or 2.5 percent.
"Automobile injuries increased from 24,904 to 32,922, or 32.2 percent. "Automobile collisions increased from 26,769 to 33,938, or 26.8 percent.

#### Fraudulent Claims Developed

"Automobile law suits increased from 3.204 to 7.297, or from 32.9 percent of all pending suits to 52.3 percent of all pending suits.

"Fraudulent claims developed by the thousands, and ambulance chasing came a major industry. Doctors, lawyers and laymen were alike de-bauched by the lure of the easy money

in faked and exaggerated cases.

"The insurance companies paid through the nose for the privilege of doing business. Practically deprived of all freedom of contract, the right of their loss ratios mounted by leaps and bounds. The net loss in excess of premium is estimated at nearly \$2,000,-000. A mutual or two went under. One of the big stock companies retired from the state.

#### Hectic Condition

"Agents found their work tremendously increased, crowded into two or three months of the year, with the consequent hectic and unsatisfactory conditions; and their commissions reduced by 33% percent.

"The motorists found themselves faced by the mounting cost of automo-bile liability insurance. In Boston the rate on Fords, Chevrolets, and cars of like class, has risen from \$29 to \$47—an increase of 61.7 percent. On other classes and for other territories there is a ratable increase.

"Visiting automobiles registered

other states roll the roads in thousands, unaffected by the law, immune from its imposition, and many Massachusetts motorists evade the law by trickery and chicane.

#### Trial of Aetna Life Tax Suit Against U. S. Begins

HARTFORD, July 3.—Trial of the suit of the Aetna Life against the col-lector of internal revenue has been started in federal court here. The suit \$376,340 which the company claims was erroneously collected. The government has demurred to the action, claiming that the suit can not be maintained because the money was paid under an agreement between it and the Treasury Department, as provided by law. After the agreement was made, and the tax paid, the Supreme Court of the United States interpreted the internal revenue act in such a manner as to lead the Aetna Life to believe it was not liable for taxation. The claim of the government is that the income tax law provided for an agreement of this nature, and that it also provided when such an agreement was entered into, a suit could be maintained to recover taxes paid Therefore, the government claims, ir-respective of the court's decision, that since the agreement was entered into by all parties, the taxes paid, and the in-come tax law precludes a suit, the money can not be recovered.

#### Texas Bills Become Laws

AUSTIN, TEX., July 3—Gove Moody has signed and filed the bill viding for bonds in claims against 3 - Govern

viding for bonds in claims against contractors, which is in immediate effect.

He also filed, but without signing, the bill providing for insurance protection for property transported over the public highways under the law placing motor freight trucks under jurisdiction of the railroad commission. The bill permits the writing of cancellable policies instead of non-cancellable policies provided in the old law. The bill is in immediate effect.

#### Discuss Missouri Legislation

KANSAS CITY, Mo., July 3—Legislation was the principal matter discussed at the meeting of the Casualty & Surety Underwriters' Association of Greater Kansas City June 28. A report on legislation passed by the last legislature was read by W. R. Maring, secretary.

The matter of bonds issued on projects in Missouri and Kansas outside the territory of the association was discussed and a special committee appointed to go into it.

This was the last meeting of the summer, the next being scheduled for the latter part of September.

### Travelers to Increase Capital to \$20,000,000 Very Soon

The directors of the Travelers have voted subject to approval of stock-holders to increase the capital from \$17,500,000 to \$20,000,000. The stockholders will meet July 29 to vote on the resolution. The stock will be issued at \$100 a share in the ratio of one new share for each seven held. The new stock will participate in the December dividend. The stockholders will also be asked to approve the amendment to the charter granted by the last legisla-ture giving the company an authorized capital of \$50,000,000. The present authorized capital is \$25,000,000. The last increase in the capital was in June, 1928, when it was increased \$2,500,000. The new stock issue will give stock-holders valuable rights. The Travelers' stock is selling at \$150 a share more than it was before the last increase was

#### C. T. Jaycox Is Leaving Illinois Manufacturers

C. T. Jaycox, of Chicago, vice-president and general manager of the Illinois Manufacturers Mutual Casualty, has resigned and will organize a new mutual signed and will organize a new mutual casualty with headquarters in the Insurance Exchange in Chicago. Mr. Jaycox has been with the Illinois Manufacturers Mutual since it was established in 1913. It started as a reciprocal and then was changed to a mutual.

#### Doctor Can Use Judgment

LINCOLN, NEB., July 3-An interest-LINCOLN, NEB., July 3—An interesting decision on malpractice suits against physicians is that of the Nebraska supreme court in the case of Mrs. Etta McGuire vs. Drs. Rix and Simpson of Omaha. The court held that where, during the treatment of a patient, her condition became such as to require, in the control of the strending and the s dition became such as to require, in the opinion of the attending physicians, an immediate operation, it would be idle to require that they bring her out from under the ether to secure consent to proceed, even though they had previously promised not to operate without giving her an option. While important from the standpoint of fairness, the decision seemingly applies only to those cases where a doctor, on discovering unforeseen conditions, uses his best judgment, and there is no allegation of carelessness or incompetence. The suit was for \$100,000 and was against the obvisicians and 000 and was against the physicians and their insurance carriers.

#### Maryland Casualty's Detroit Branch Holds Gathering

HOME OFFICE MEN PRESENT

Manager Harry B. Quinn Presides at Discussions of Bonds and Casualty Coverages

DETROIT, July 3.-More than 50 home office men, general agents and employes of the Detroit branch office of the Maryland Casualty gathered in Detroit last week to celebrate the fifth

anniversary of the branch.

Harry B. Quinn, resident manager,
presided at the sessions. Richard H.
Thompson, third vice-president, brought greetings from the home office, at the opening session and Walter F. Beyer, assistant secretary of the Home and affiliated companies, brought greetings from his organization. General ag from Grand Rapids, Kalamazoo General agents from Grand Rapids, Ralamazoo and Saginaw likewise spoke. The session was brought to an end by a discussion of accident and health insurance, directed by F. Leroy Templeman, manager of the accident and health depart-

#### Fidelity Bonds Discussed

The afternoon session included an address by Col. Ralph F. Proctor, fourth vice-president, on fidelity and surety bonds. The place of the branch office

bonds. The place of the branch office in the insurance business was discussed by K. O. Saunders, manager of the surety department of the Detroit office.

A. B. Nickerson, manager of the automobile department, discussed his end of the business and led an open forum discussion on automobile coverage afterward. W. H. Burton, safety engineer of Detroit, talked on safety. Stephen T. Mason, manager of the claims division of the Detroit office, discussed mutual services of agent and claim managers. Franklin Davies, field supervisor, Franklin Davies, field supervisor, talked on "Availing Every Opportunity." The meeting was adjourned following a discussion of home office mediums as aids to securing business.

S. M. Ward, Jr., superintendent of

wheel, engine and electrical department, spoke about t insurance. H. D. Hart, boiler, fly-wheel, machinery power plant insurance. H. D. Hart, assistant manager of the Detroit office, led a discussion on burglary insurance.

#### WISCONSIN CASUALTY MEN HOLD ANNUAL OUTING

MILWAUKEE, WIS., July 3.—The Casualty Underwriters Association of Wisconsin held its annual outing at Brown's Lake, near Burlington, Wis., last Friday, opening with a golf meet

last Friday, opening with a golf meet and later holding a stag dinner.

Clarence A. Henkel, manager of the Norwich Union Indemnity, took first prize in the golf tournament, and A. L. Fischer, secretary of the Gaedke-Miller agency, won second honors. Theodore Johnson, secretary of the Robert R. Elsner Company, was given the consolation award. solation award.

In the barnyard golf tournament George Schurr, special agent for the Aetna Casualty, won first prize, and Paul F. Powers, with Leedom, Miller & Noyes, took second honors. First honors at cards were won by "Bill" Bailey.

The Casualty Underwriters Association is planning for another outdoor party in September. There will be a big dinner and entertainment and the ladies will be invited.

#### New Philadelphia Agency

Arnold & Wannemacher of Philadelphia have joined the Standard Accident. Mark S. Mertz, a member of the organization, is manager of the casualty and surety department. The agency was founded over 30 years ago. Mr. Mertz was formerly with the Standard Accident, having spent nine years in the Philadelphia branch.

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July 4, 19

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# **Problems Raised** by A.A.A. Statute

Residents of Other States Affected by New York Enactment

AUSTIN J. LILLY SPEAKS

Maryland Casualty General Counsel Discusses Compulsory Liability and Financial Responsibility Laws

Austin J. Lilly, general counsel of the Maryland Casualty, spoke at the meeting of the Virginia Association of Insurance Agents on compulsory automobile insurance and the new American Automobile Association financial responsibility statute, which New York and New Jersey recently adopted with a few modifications. Mr. Lilly told of the evils which grew out of the Massachusetts measure and how the automobile association had studied the problem and had prepared a measure designed to gain the advantages sought by those in favor of compulsory insur-ance but without the drawbacks of the Massachusetts law, which experience had brought to light.

Under this measure, said Mr. Lilly, the public is absolutely protected for every accident caused by the insured automobile unless the automobile is used without the consent of the insured. It protects the honest owner without question, it protects the public in all practical cases and enables the insurance company to sell the insurance at reasonable rates.

### Subject to New York Law

There has been some question raised in regard to the New Jersey law, which also may be brought up concerning the New York act, as to whether following a conviction, the financial responsibility

New York act, as to whether following a conviction, the financial responsibility must be established only with respect to future accidents, or with respect to past accidents as well.

Mr. Lilly pointed out a problem for agents of other states created by the passage of the New York and New Jersey statutes. Policies issued in states without financial responsibility law, he said, will not be subject to the New York and New Jersey provisions, but if the assured of one of these states travels in New York or New Jersey he will be subject to the laws of those states if he has an accident. Mr. Lilly said agents should bear the situation and its unpleasant possibilities in mind with a view to discussing with their companies the preparation of an endorsement for attachment (perhaps with the payment of a slight additional premium) to policies of assureds likely to drive in either state.

There is also another item in that connection, which Mr. Lilly called attention to, where a resident of a state other than New Jersey or New York, involved in a motor vehicle accident which results in a judgment. If he fails to pay it, he will not be allowed to motor in the states having financial responsibility laws as long as the judgment remains unpaid.

Necessary for Virginian

#### Necessary for Virginian

"It happens, therefore," he said "that insurance in Virginia may be an actual necessity for the continued preservation of the Virginia motorist's right to drive in New York. And by taking thought upon this subject you may add a cubit or two to your financial stature."

The new financial responsibility laws roughly divide motorists into two

# Virginia Speaker



AUSTIN J. LILLY General Counsel Maryland Casualty, who Addresed Agents of State at Their Annual Meeting

classes—the nonowner and the owner. Mr. Lilly said that proper insurance under the law must be a form of coverage which each motorist can buy according to the extent of his individual needs. ing to the extent of his individual needs. The statutes have specific provisions which makes two distinct forms of coverage necessary. One for the owner, which may be used also by persons who are not owners but who regularly hire motor vehicles for their own use, and a policy for the use of operators and chauffeurs who do not own motor vehicles. Although no motorist, said Mr. Lilly, should be required to purchase insurance for motor vehicles merely hired and not driven by him, he may need insurance to protect him against judgment, nonpayment of which against judgment, nonpayment of which would deprive him of his license and of his registrations of motor vehicles actually owned by him. For the convenience of the motor vehicle owner who may desire to drive automobiles not owned by him, the two forms of policies may be combined into one.

#### Scope Materially Extended

Mr. Lilly outlined the provisions, which the automobile liability policy which the automobile hability policy sold in New York must conform to, under the new law. "So far as the public is concerned," he said, "the scope of the policy is materially extended; since the company's liability, provided only the motor vehicle be covered by the policy, follows the liability of the assured. Nor will any breach by the assured of the terms of the policy preassured of the terms of the policy prevent him from obtaining the benefit of the application of the proceeds of the policy, within the statutory limits, to the payment of the loss, so as to save him from ultimate penalty of the law. On the other hand, if the company sustains a loss by the violation of the policy provisions, it may hold the assured therefor and, if he be financially responsible, reimburse itself in full.

"It is believed that this flexible and adaptable form of insurance will permit of continued dealing between motorists and insurance companies upon the same free contractural basis as at present,

ists and insurance companies upon the same free contractural basis as at present, with only such changes in underwriting practices as the companies themselves may deem necessary or advisable; and will at the same time adequately protect the owner, the operator and the general public, thus facilitating the smooth and effective operation of the law."

#### Clearing House to Disband

The members of the Casualty Informa-tion Clearing House of Chicago met last week and approved the vote of the directors to disband. The office will be kept open and the valuable records file will be kept intact. Just what disposition will be made of Henry Swift Ives, the vice-president, and George E. Turner, manager and general counsel, has not been determined.

# Possibilities in Liability Lines Told by McComas

At the Kentucky Association of Insurance Agents' meeting William G. McComas, assistant resident manager at Louisville for the Fidelity & Casualty, pointed out the possibilities of increasing premium income by selling the liability lines of insurance. The income on these coverage amounted to more on these coverages amounted to more than 50 percent of the total volume for casualty and surety business in 1928, he

The greatest development along this line is in the non-ownership automobile liability coverage, said Mr. McComas. "The employes in various factories and manufacturing plants today go to and manufacturing plants today go to and from their place of employment in automobiles. The employer has a contingent liability in any accident that may occur while an employe is using his individually owned car in going to and from his work." Lawyers are fully aware of the possibilities in this liability and invariably file suit aganst both the owner of the automobile and the employer, and, although no liability may be found, the cost of retaining an attorney to defend the charges must be paid by the employer if he does not carry proper insurance protection. surance protection.

#### Do Not Realize Responsibility

Mr. McComas included compensation insurance in his talk on the liability lines and he said that although the present situation makes active solicitation of this coverage inadvisable, agents should do all they can to get their state compensation commissions to adopt

compensation commissions to adopt adequate rates.

He pointed out the great possibilities in selling garage liability coverage. He said this form offers a fertile field because very few garages seem to have been solicited for it.

Manufacturers and contractors do not

many cases it is only necessary to call attention to the matter in order to secure the line.

the line.

Owners' and contractors' protective liability is another line which should be considered as profitable by agents. Contractors and subcontractors may prove

tractors and subcontractors may prove not to be financially responsible and so damages resulting from an accident during construction work may fall back upon the general contractor or even upon the owner.

Owners', landlords' and tenants' public liability coverage offers a wide variety of prospects. Mr. McComas pointed out that a dog upon the premises may bite a persom who is traversing the sidewalk, bringing about an unpleasant suit. He said the public liability policy protects the owner from this liability. In addition, by the payment of a small additional premium, he can protect himself against accidents caused by the dog away from the premises. away from the premises.

#### Servants Present Hazard

"Another ever present liability hazard in the private residence is the possibility of injury to domestic servants," Mr. McComas said. A hand may be caught in the washing machine, an iron may be dropped on a foot and a number of other accidents occur which involve liability to the property owner.

to the property owner.

Theater public liability is also another form of coverage that many agents neglect to solicit. If the operator of a theater cannot be interested, the owner should be solicited, because he is jointly liable with the coverage for any accident. liable with the operator for any accident that may occur. The latter may be written for a protective liability policy at 50 percent of the manual rate in that

Manufacturers and contractors do not fully realize their responsibility to the public. Mr. McComas said, and their liability hazard should be pointed out to them. The rates for this form of insurance, he said, are very low and in

### Standard Surety Gets Chicago General Agency

NEW YORK, July 3.—One of the most important field appointments announced by the Standard Surety & Casualty of this city since it began operations, is that of Rollo, Webster & Coof Chicago as general agents for northern Illinois for all lines. A. F. McCarthy, who has been associate manager of the city department of the Massachusetts Bonding for the past seven years, has resigned the connection to join the firm with direct charge of its casualty and surety divisions. of its casualty and surety divisions. The Rollo, Webster & Co. agency is one of the long established offices of its kind in the central west, having been formed in 1859. It has been in business continuously ever since.

#### BRITISH SURETY GOES AFTER SURPLUS LINES

The Vaughn Insurance Agency in the Palmer building at Atlanta, Ga., has been appointed correspondent for the British Surety of London for the United States. The British Surety is not licensed in this country. The Vaughan Insurance Agency says that it will issue policies from its Atlanta office covering risks anywhere except Georgia. It will be a surplus line proposition. The Vaughn Insurance Agency declares that its policy will be to secure some of the big volume of business that has been finding its way to London direct. The British Surety was formed in 1927 and does a surplus line business.

#### Independence Indemnity Will Increase Capital

The board of directors of the Independence Indemnity have voted to rec-ommend to stockholders that the authorized capital be increased to \$5,000,-000. The first step will be to reduce the par value of 250,000 shares from \$10 to par value of 250,000 shares from \$10 to \$5 and then increase the authorized capital to 1,000,000 shares at \$5 par. This is the financing plan followed by Corroom & Reynolds, who purchased the controlling interest in the company, they pursuing this method with all their companies. The additional authorized shares will enable the Independence snares will enable the Independence In-demnity to give rights to stockholders as it needs additional capital for its busi-ness. Charles H. Holland, president of the Independence Indemnity, was elect-ed a director and vice-president of Cor-roon & Reynolds, Inc.

### St. Paul Plane Loss Covered by Insurance

ST. PAUL, July 3.—The first large aviation insurance loss in the Twin Cities has just been recorded. The William B. Joyce Co. carried \$300,000 on the Northwest Airways plane which crashed here June 24, resulting in the death of the pilot and injuries to several passengers. Each pasto several passengers. Each passenger was insured for \$20,000 and the plane for \$67,500.

July 4, 19

# UNITED BRITISH

INSURANCE CO., LTD.

Associated with

ROYAL EXCHANGE ASSURANCE, LONDON GENERAL REINSURANCE CORPORATION, **NEW YORK** 

# CASUALTY, FIDELITY and SURETY REINSURANCE

UNITED STATES and CANADA

UNITED STATES BRANCH E. H. Boles, U. S. Manager 80 JOHN STREET NEW YORK, N. Y.

### Two Companies to Work in an Independent Way

NO CONNECTION ESTABLISHED

Central Surety and Indemnity Company of America Will Operate Separately in Business

Fred W. Fleming, president of the Central Surety of Kansas City, who headed the syndicate that purchased the Indemnity Company of America, clears up some wrong information about the future course of the latter company. He

The newspapers and insurance jourals within the last few days have carried accounts of the purchase of the Indemnity Company of America by F. W. Fleming, president of the Central Surety. Many of these articles have stated that the Indemnity Company of America is to be operated by the man-agement and employes of Central Surety and is in fact to be conducted as a running mate. Such statements are wholly erroneous.

#### No Connection Is Established

"The stock of the Indemnity Company of America was my personal purchase and has no relationship whatever to the management or operation of the Central Surety. Neither through affiliation nor Surety. Neither through amination nor financial relationship is there the slightest tie up or connection between the two companies. The energies of the operating staff of the Central Surety will not be diverted or in any wise have connection with the operation of the Indemnity Company of America, nor will any member of the present Central Surety staff become a member of the Indemnity Company's operating staff.

#### Will Operate Independently

"The fact that I am president of the Central Surety and at the same time owner of the Indemnity Company of America is not to be permitted to affect the independent operation of Central Surety in the slightest degree. It will be conducted as heretofore with exactly be conducted as heretofore with exactly the same policy and the same management and without affiliations of any character other than the usual contrac-

tual relationships relating to the sources and production of the business."

The main offices of the Indemnity Company of America have been moved from St. Louis to Kansas City to make more economical operation and to permit the new owners to exercise closer upervision over its affairs. The charter office and a branch will be maintained in St. Louis

Colonel Fleming will be president of the Indemnity Company of America. A. J. Helmick of Kansas City has been made secretary. Vice-President H. F. Davis will remain with the company in St. Louis. K. C. Pringle, claim attorney, will go to Kansas City. No changes in the interior working arrangement affecting agents will be made. The company operates in 17 states.

#### Meet July 9 to Consider Successor to Wm. Leslie

NEW YORK, July 3.—William Leslie, recently resigned as general manager of the National Council on Compensation Insurance, will probably Compensation Insurance, will probably leave about July 13, planning to take a brief vacation before assuming his new duties as executive vice-president of the Associated Indemnity of California. The governing committee of the council will meet July 9, at which time action may be taken looking to the selection of a successor to Mr. Leslie.

Don't Hoard Your Money! Blow \$2 on subscription to The Casualty Insuror, (onthly, \$2 a year. A-1946 Insurance xchange, Chicago.

#### Stellwagen Not Alarmed **Over New Companies**

The entrance of new companies and new capital into the casualty field is not looked upon with a pessimistic attitude by H. P. Stellwagen, assistant vice-president Indemnity of North America. In his talk to the Virginia Association of Insurance Agents he said that the new companies will aid in further cultivating the field and thereby add to the total business available to any one company. He said that the vast majority of motorists have yet to be aroused to the necessity of liability insurance and that there is plenty of room for the new companies and their agency forces in The entrance of new companies panies and their agency forces in educating people to this necessity. The many new forms of liability coverage and absolute necessity of increased automobile liability limits in the future, offer a vast field for development by both old and new organizations.

#### Bennett Quits as L. & L. **Indemnity Coast Manager**

Terminating an association of more than 13 years with the London & Lancashire Indemnity and its affiliated companies, R. F. Bennett has tendered his panies, R. F. Bennett has tendered his resignation as Pacific Coast manager. Mr. Bennett, who is one of the best-known casualty and surety executives on the Pacific Coast, has spent his entire business life in that work. On leaving college in 1904 he entered the service of the American Surety at its Chicago office and was soon promoted to assistant manager. He remained with to assistant manager. He remained with the American Surety until 1914, when he went to California to become man-ager at Los Angeles for the Aetna Life and affiliated companies' casualty and

surety department.

Mr. Bennett went to San Francisco Mr. Bennett went to San Francisco in 1916 to enter the service of the London & Lancashire under the supervision of the late Sam B. Stoy, now deceased, then Pacific Coast executive head of the London & Lancashire group, and on Jan. 1, 1925, he was promoted to Pacific Coast manager for the London & Lancashire Independent of the London & Lancashire Independent of the Pacific Coast manager for the London & Lancashire Independent of the Pacific Coast manager for the London & Lancashire Independent of the Pacific Research of the Pacif cashire Indemnity, which position he has held until his resignation. held

has held until his resignation.

Mr. Bennett has not announced his plans for the future.

### Baldus Claim Manager Great Northern Casualty

The Great Northern Casualty of Chicago announces that E. L. Baldus has become connected with it as manager of the claim department. Mr. Baldus was for several years superintendent of

was for several years superintendent of the claim department for the Continental Life of St. Louis. From March, 1928, until April, 1929, he operated as an independent adjuster in Washington and Oregon and adjusted claims for several large insurance companies.

Through the leadership of B. H. Manning, secretary, who became associated with the Great Northern Casualty in 1927, it increased its business in force from \$40,000 to \$100,000 annually. Due to this rapid growth it was necessary to secure the services of a claim manager who is thoroughly experienced with accident and health claims. rienced with accident and health claims.

#### Pennsylvania Compensation Payments

HARRISBURG, PA., July 3.—Compensation payments in Pennsylvania for the first five months of this year show an increase of 16.9 percent over last year. The monthly average this year has been \$1,403,091 as compared with \$1,200.637 for the corresponding period of 1928. The awards this year total \$1,015,455 for the first five months.

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# SIX of THESE %



ONEOTHESE

CCORDING to police records the average householder is six times as likely to have a burglary loss as a fire loss.

Since the replacement cost of stolen or burned belongings is exactly the same, burglary insurance is just as indispensable as fire insurance to the householder interested in safeguarding himself against the loss of his property.

Are YOU equipped to meet your clients' needs with regard to burglary insurance? If not, write the F&D for information regarding a connection with this old, well-established company. It may be that it is not represented in your particular community.

# FIDELITY AND DEPOSIT COMPANY OF MARYLAND

# **Baltimore**

Fidelity and Surety Bonds . . . Burglary and Plate Glass Insurance



# Modernization Simplification—

A demand answered by the Universal Casualty Company with its simplified, understandable policy forms, the practical elimination of endorsements, and the outstanding innovation

FRONT PAGE SCHEDULES presented clearly, understandably, simply. The price tag and the contents on the outside of the package-the policy label where the purchaser can SEE it and UNDERSTAND it.

"Clearly this is not just another Casualty Company" will be your feeling if you will give us 10 minutes to tell you the story of this modern day company.



Contractors' Liability

Owners, Landlords and Tenants Liability Edward T. Harrison, President DALLAS **TEXAS** 

# Cars of Employes Can Not Be Put Into Fleet

OHIO DEPARTMENT RULING

Insurance Superintendent Rules That Action of This Kind Is in Violation of Law

COLUMBUS, O., July 3.—Superintendent C. S. Younger of the insurance department has ruled that no Ohio employer who takes out public liability and property damage insurance on an automobile fleet has a right under the Ohio law to include private automobiles of his employes. Judge Younger declares that the inclusion of privately owned automobiles in fleet coverage is a discrimination against other owners of the same type of automobile. He declared that this practice makes for unfair competition and is in violation of the Ohio anti-rebate law. He said that the determining factor for proper incluthe determining factor for proper inclusion under a fleet cover must be owner-

#### Ruling Is Elucidated

Judge Younger in elucidating his rul-Judge Younger in elucidating his ruling says that it will be proper for an employer to insure his own liability against public liability and property damage caused by an employe's car while in the service of the employer. The question as to liability in such instances must be determined by the conditions surrounding each separate case. It is surrounding each separate case. It is not a matter for the insurance depart-ment to decide.

# Whole Time Men Are Applauded

(CONTINUED FROM PAGE 4)

The attitude of the public toward in-surance is changing. There is no busi-ness of a great nature today which can be called strictly private. There is a public interest in almost everything.

#### Should Center on All Time Men

Mr. Palmer said that if it were possible to eliminate the part-timer and hanger-on in insurance and center it nanger-on in insurance and center it on those who devote their whole time to the business, the premiums no doubt would for the nonce fall off. He believed, however, that in five years the income would be recovered and increased. Then public confidence and mome would be recovered and increased. Then public confidence and respect would be won. He said that insurance companies are entitled to a reasonable profit and should not be ashamed to express that sentiment. He said there is no business with which he is acquainted that is carried on from a trade standpoint on as small a profit a trade standpoint on as small a profit as insurance. Insurance, he insisted, is as insurance. Insurance, he insisted, is entitled to a fair earning on its under-

#### Field Organizations Meet

Commissioner Livingston made a brief talk at both separate meetings of the field clubs. These organizations met Thursday morning. President Chaufty field clubs. These organizations met Thursday morning. President Chaufty president Ridenour over the Bureau club. The managerial talent representing the two shades of belief made brief talks. The Bureau club adopted a rule whereby any member closing or suspending an agency on account of delinquency is to inform the secretary of the Western Insurance Bureau, or the secretary of the field club. Either of these officials will in turn notify all other companies in the agency.

Mrs. A. N. McDougall acted as host-

all other companies in the agency.

Mrs. A. N. McDougall acted as hostess at the ladies' bridge party. Mrs.

D. B. Gamble of Detroit won the first prize and Mrs. H. L. Ridenour of Grand Rapids was second. First prize in the archery contest was won by John F. Baker of the National Liberty for men and Mrs. W. E. Collins of Detroit for the ladies.

# Old Local Agency Now

NEW YORK, July 3.—The Manchester Agency of Manches-ter, Vt., recently given the gen-eral agency of the Equitable Caseral agency of the Equitable Cas-ualty & Surety of this city, is prob-ably the oldest office of its kind in Vermont, having been estab-lished nearly 80 years ago. It represents a number of companies for the various lines of insurance and transacts an ever growing volume of business. Allied with it is the Equitar Adjustment Sear and transacts an ever growing volume of business. Allied with it is the Fowler Adjustment Service, which handles both fire and casualty claims. Members of the agency and of its related organization are prominent in civic as well as in insurance affairs,

#### McKAY GOES TO HOME OFFICE OF TRAVELERS

Harold A. McKay, manager of the Rochester, N. Y., office of the Trav-elers, has been appointed agency assistelers, has been appointed agency assistant in the casualty department at the home office and will take his new position Sept. 1. He has been with the company 10 years. He was counterman at Syracuse and Minneapolis. Later he was appointed assistant manager in the latter city. In 1925 he was made manager at St. Paul; in 1927 at Montreal, and in 1928 at Rochester.

#### Misinterpret A. A. A. Measure

DES MOINES, July 3—The A. A. A. safety responsibility bill which goes into effect here this week has been interpreted by over-anxious automobile insurance salesmen as a compulsory liability insurance measure. Salesmen are surance satesmen as a computery na-bility insurance measure. Salesmen are telling people that after the law goes into effect they will not be allowed to drive their automobiles upon the high-ways without insurance. This is not the case, as the bill only provides for the forfeiture of an automobile license only in case of an unsatisfied indement recase of an unsatisfied judgment resulting from an automobile accident.

#### Selling Penny-a-Day Policy

Selling Penny-a-Day Policy

The Sterling Underwriters of Chicago, an accident and health company recently formed 'to sell a penny-a-day accident policy, has been making rapid strides in planting its agency force in Illinois. The company in seven weeks has sold over 9,000 policies. Officers of the company are A. L. Rosenthal, president; William H. Sizemore, vice-president and Louis A. Breskin, secretary. Mr. Breskin was formerly assistant agency manager of the Equitable Life of New York in Chicago and prior to that was cashier of that city. The idea of the penny-a-day accident policy originated with Mr. the Liberty Trust & Savings Bank of that city. The idea of the penny-a-day accident policy originated with Mr. Breskin and the company has put on a very aggressive campaign in selling this contract. It is using a hookup of a number of radio stations throughout the country.

#### New Century in Missouri

The New Century Casualty of Chicago has been licensed in Missouri, thus giv-ing it 19 states.

#### Four Companies Licensed

Four assessment accident and health ompanies have just been licensed by the Illinois department, the United Beavers Casualty of Peoria, Imperial Accident of Chicago, George Rogers Clark Casualty of Lawrenceville, Ill., and Plymouth Casualty of Santalty of Santalty of Casualty of Santalty of Sa Casualty of Springfield, Ill.

#### Licensed in Two More States

The Standard Surety & Casualty of New York has been licensed for all of its lines in both Louisiana and Alabama thus increasing to 27 the number of states to which it has been admitted.

Charles E. Calum has joined the staff of the National Union Indemnity as auto-mobile and claim adjuster in the terri-tory supervised by General Agent F. Ackerman from his Newark headquar-ters

Is Nearly Four Score

STORY Former South

July 4, 19

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# CHANGES IN CASUALTY FIELD

STORY JOINS CONSOLIDATED | ADDING TO CHICAGO STAFF

Former National Surety Man Heads South Atlantic Division-T. S. James Succeeds Him

GREENSBORO, N. C., July 3.—S. H. Story, formerly state manager of the National Surety for North Carolina, with headquarters in Greensboro, has been made manager of the south Atlantic office of the Consolidated Indemnity of New York, which has been opened in this city. The territory embraced in the south Atlantic division is Virginia, West Virginia, North and South Carolina. James W. Brushwood, vice-president, and W. H. Lofgren, vice-president and comptroller, have been in Greensboro in connection with the opening of the office here. office here.

T. S. James, formerly of the H. C. Sherrill Company agency, Charlotte, has been named as manager for the National Surety, succeeding Mr. Story. William N. Smith of this city, who has been connected with the National Surety for years, her hear named agriculture. four years, has been named assistant state manager. J. C. Tyler of Wash-ington, D. C., engineer of the National Surety, has taken charge of the local office pending the arrival of the new

manager.

Mr. James is a past president of the Charlotte local board and for many years has been prominently identified with the North Carolina Association of

#### Porter Is Alabama Manager

The National Surety announces the appointment of L. A. Porter as state manager for Alabama and manager of the branch office at Montgomery. He is well known throughout agency circles in Alabama and the entire south.

#### National L. & A.Promotions

O. C. Gustafson of Detroit, J. R. Wilson of Wichita, J. L. Allen of Lexington and M. P. Rasmussen of Omaha have been promoted to superintendents by the National Life & Accident.

Pages of high verdicts every month in The Casualty Insuror, monthly, \$2 a year, 175 West Jackson boulevard, Chi-cago.

Alliance Casualty Secures J. G. Hedgecock and R. E. Baker to Take Charge of Departments

Dion W. Taylor announces the addition of two men to his staff as manager of the Alliance Casualty in Chicago. J. G. Hedgecock has been made fidelity and surety underwriter. He was formerly connected with the Aetna Casualty merly connected with the Aetna Casualty at Chicago and later was executive special agent of the New York Indemnity. R. E. Baker, who was formerly Chicago manager of the Georgia Casualty, later was in the field for the Metropolitan Casualty, but who more recently has been the casualty man for the Alexander Smullan agency, has been appointed liability underwriter. Mr. Taylor opened the Alliance Casualty office a few weeks ago. He was the liability underwriter at the home office but opened the Alliance Casualty branches at Boston, Buffalo and St. Louis.

#### Cubley With New York Indemnity

H. M. Cubley, for the past five years superintendent of agencies for the Union Indemnity, having general supervision of production in the New England field, has been appointed manager of the New England department of the New York Indemnity in Boston. His first insurance experience was with the Royal Indemnity in New York City, where he was superintendent of

with the Royal Indemnity in New York City, where he was superintendent of claims. After two years with the Royal Indemnity he went with the Union Indemnity as supervisor of agencies. Mr. Cubley has a considerable acquaintance in New England. He will organize a complete force at the offices of the New England department in the Insurance Exchange building at 40 Broad street, Boston.

#### Will Report to Washington

The agents of the United States Fidelthe agents of the United States Fidelity & Guaranty in eastern West Virginia and western Maryland, which have heretofore reported to the branch office in charge of Manager C. W. Vierheller at Charleston, W. Va., will hereafter report to the Washington, D. C., office.

# WORKMEN'S COMPENSATION

#### CARRIER NEED NOT CONSENT

Lump Sum Settlement May Be Made in Nebraska by Employer and Employe Without Insurer's Approval

Commutation of total and permanent disability benefits under the compensa-tion law may be agreed upon in Nebraska between the employer and employe without the consent of the insurance carrier. This rule has just been reaffirmed by the Nebraska supreme court in the case of Bowlin vs. Westover and Ocean Accident. A similar rule was laid down by the court in the case of Bailey vs. United States Fidelity & Guaranty, 99 Neb. 109, but it was contended that the rule in the Bailey case had been abrogated by amendments to

had been abrogated by amendments to the compensation law. In the present case Bowlin had been awarded \$15 a week for 300 weeks and thereafter \$12 a week for life. After payment of 264 weeks Bowlin and his employer agreed on a commutation of the remaining payments for a lump sum settlement of \$9,638.06. Under the law

employer contended that the installments formed a lien on his real estate and injured his credit and that the settleand injured his credit and that the settle-ment, which comprised the purchase of a home for \$4,200, \$1,000 cash, and paid-up stock in a building and loan associa-tion, was advantageous to the assured. The supreme court on appeal by the Ocean Accident affirmed the approval of the district court.

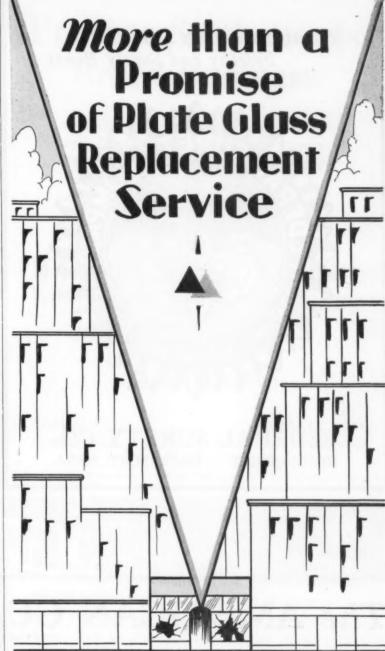
#### Premiums Run to \$9,000,000

Charles G. Smith, manager of the state workmen's compensation fund of New York, states that the total premiums written this year will run to \$9,000,000. In 1914 the state fund wrote premiums of \$689,765. Its premiums last year were \$8,300,000. It is the largest carrier of compensation insurance in the state.

#### Grant Rehearing in Nebraska Case

the compensation law.

In the present case Bowlin had been awarded \$15 a week for 300 weeks and thereafter \$12 a week for life. After payment of 264 weeks Bowlin and his employer agreed on a commutation of the remaining payments for a lump sum settlement of \$9,638.06. Under the law the settlement was submitted to the district court and was approved over the protest of the Ocean Accident. The



It is safe to say that more Plate Glass Insurance business is lost because of failure to live up to the promise of prompt Plate Glass Replacements than from any other factor.

Companies and agents alike stake their reputation and business on this one factor.

It is because the American Glass Company has not only recognized this fact but has provided the facilities with which to fulfill the promise of prompt Plate Glass Replacements that has been the moving factor in placing this organization foremost in the Chicago Plate Glass Replacement field.

# AMERICAN GLASS CO.

1038-42 NO. BRANCH ST. CHICAGO, ILL.



XUM



FEDERAL SURETY CO. HOME OFFICE DAVENPORT, IOWA injured worker could recover in spite of the fact that he was about his own business, away from the scene of employment and beyond any control by his employer. The court had previously held that the injury arose out of and in the course of his employment as he In the course of his employment, as he would have had to feed the horses at noon anyway and it was merely accident that at that hour he was near enough home to take them there.

#### Hold Gastric Ulcer Death Covered

Hold Gastric Ulcer Death Covered
LINCOLN, NEB., July 3.—The Nebraska supreme court has stretched the
workmen's compensation law to cover
the death of a worker suffering from a
gastric ulcer, the rupture of which followed his lifting of a sack of grain at
the elevator where he was employed.
The court said that as the injury would
not have occurred if he had not been
so employed and subjected himself to
the strain of lifting, his widow can recover. The strain was the proximate
cause, since otherwise he would not have
been hurt and he might have recovered
from his diseased condition. The result
being unexpected and unforeseen and
without the aid or design of the decedent
it was an accident and hence compensable. The New Amsterdam Casualty is
the insurer.

#### Announce North Dakota Rate Changes

BISMARCK, N. D., July 3.—Increases in rates for 26 classifications were ordered by the state workmen's compensation bureau at its annual meeting recently. Rates in two classifications were lowered and 12 classifications were granted dividends. There are 161 classifications in the bureau manual

classifications in the bureau manual.

Classifications in which reductions were granted are: Grain elevators, 10 percent decrease, new rate \$1.30 per \$100 payroll, also 30 percent dividend; retail stores, 1 cent decrease, 30 percent dividend.

Classifications in which dividends were granted but no decreases allowed were: Masonry work, trucking and city fire-men, 10 percent; concrete construction, schools, chauffeurs, clerical and office employes subject to hazard of industry,

general retail stores and grain milling. 20 percent; lumber yards, 30 percent.

#### Will Prosecute Uninsured Employers

ROCHESTER, N. Y., July 3—Announcement that prosecutions will be instituted against all employers who violate the mandatory requirement of the workment, compensation law for insurance of their employes is made by Willard A. Marakle, assistant industrial commissioner. Heliavas that the policy followed for the assistant industrial commissioner. He believes that the policy followed for the last 15 years, of not prosecuting a non-insuring employer unless there has been an accident in his plant, has led to much carelessness, especially among small employers who hire from one to ten men Last year 2,000 awards were made against uninsured employers, but relatively few of them had any value to against uninsured employers, but rela-tively few of them had any value to the disabled worker or his widow, as in most cases the employer was without financial resources and was judgment

#### Hernia Death Not Compensable

ST. PAUL, July 3-The American Mu-

ST. PAUL, July 3—The American Mutual Liability need not pay compensation to the widow of William Wagner, who died from a hernia. The supreme court has affirmed the decision of the industrial commission denying an award. Wagner, who was manager in a peanut butter factory, was operated on for appendicitis in 1923. A hernia developed where the incision was made. He sufered more or less continually from the hernia until his death in 1927. He, however, had made no request for compensation during his lifetime.

After death his widow filed a claim on the ground that the hernia was caused

the ground that the hernia was caused by lifting a sack of peanuts. The com-mission did not find this was the cause of the hernia and denied compensation.

#### Casualty Notes

The Associated Indemnity of San Francisco has been licensed in Indiana.

The Liberty Surety Bond of Trenton, N. J., and the Public Indemnity of Newark have been licensed in Maryland.

Colorado is the most recent state to which the Consolidated Indemnity of New York has been admitted.

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All Forms of Casualty Insurance at Independent Rates Including

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1030 INSURANCE EXCHANGE CHICAGO, ILL

HAMILT

July 4, 19

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# ACCIDENT AND HEALTH FIELD

HAMILTON NATIONAL STARTED

Company Has Been Organized at Los Angeles to Write Life, Accident and Health

Completion of the organization of the Hamilton National Life of Los Angeles, which has been under way in that city work, following issuance by the California department of authorization to write life, accident and health insurance. The company starts with initial paid-incapital and surplus of more than \$500,-000, and was organized under the direcood, and was organized under the direction of Spencer Thorpe, attorney and capitalist of Los Angeles, who is named as president. Other officers are: Harry J. Bauer, vice-president; Dr. Albert W. Moore, vice-president and medical director; Ray C. Swain, secretary and treasurer; Allan B. Clark, assistant to the president; James H. Blagg, agency supervisor; Coates & Herfarth, actuaries. It is understood that the company was It is understood that the company was organized without the payment of com-missions for the sale of stock and without any organization or promotion ex-pense whatever.

#### Capital Mutual Licensed

The Capital Mutual Casualty of Columbus, O., with offices in the Huntington Bank building, has been licensed in Ohio to write personal acident insurance. W. E. McGoodwin, former manager for the National Life & Accident, who has

been active in the insurance business for the past 20 years, is president of the company. Dr. H. H. Snively, former state director of health, is vice-president; Percy Tetlow, former director of industrial relations, secretary, and Roscoe R. Walcutt, Columbus attorney, is treasurer. The directors include these officers and W. H. Phipps, former director of commerce of Ohio.

For the present the company will confine its development to Ohio, building its business through both the full time agency system and brokerage contracts.

#### Bain to Remain in Chicago

Bain to Remain in Chicago

J. W. Bain, former president of the
Equitable Life & Casualty of Louisville,
has sold his stock holdings in that company to a group of Kentucky capitalists
headed by W. J. Fields, the new president of the company. Recently the executive and administrative offices of the
company were moved from Chicago to
Louisville, where the company purchased
a building. Mr. Bain will remain in
Chicago, in charge of production in that
city. It was impractical for Mr. Bain
to move to Louisville, inasmuch as he
has wide business interests in Chicago.

#### Peel Joins Atlas L. & A.

Feet Joins Atlas L. & A.

F. W. Peel of Middlesboro, Ky., has been made superintendent of the eastern district of the Atlas Life & Accident of Campbellsville, Ky., and has moved to Paris, Ky., which will be his headquarters. He has eight counties in his district. While in Middlesboro Mr. Peel was the representative of the Kentucky Central Life & Accident, which position has been assumed by H. E. Adams.

# FIDELITY AND SURETY NEWS

CHICAGO SURETY MEN PLAY

First Golf Tournament of the Season Was Held at Olympia Field Course

The Chicago Surety Underwriters Association had its first golf match for the season at Olympia Fields. Prizes awarded were:

season at Olympia Fields. Prizes awarded were:

Low Gross—E. H. Ludlow. Geo. W. Roberts & Son. Low Net—C. O Swanson, Rollins—Burdick—Hunter. Inspiration Flight—winner. Lew Klein, Equitable Casualty & Surety; runner up, Ed. O'Donnell, Indemnity Insurance Co. of N. A. Desperation Flight—winner, Frank McVicar, Detroit Fidelity & Surety; runner up, R. E. Chne, Aetna Casualty & Surety. Consultation Flight—winner, R. F. Munsell, Columbia Casualty; runner up, George Foy, Central West Casualty, Perspiration Flight—winner, P. J. Loranger, American Bonding; runner up, D. W. Taylor, Alliance Casualty. Expirations Flight—winner, George Haller, American Bonding; runner up, Loranger, American Flight—winner, F. W. Buddeke, Maryland Casualty; runner up, Ed. Madden, Maryland Casualty. The Public Versus the People—C. C. Blackwell, Public Indemnity, Exapseration Flight—winner, F. W. Buddeke, Maryland Casualty; runner up, T. M. Cunningham, Globe Indemnity, Talking Best Game—winner, President A. F. Stanten, Massachusetts Bonding; runner up, R. E. Hall, Ocean Accident & Guarantee. Imagination Flight—winner, R. E. Stitt, National Surety; runner up, M. L. Blake, London & Lancashire. Clerk of Course—P. O. Olsted, Continental Casualty. Liquid-ation Flight—winner T. E. Dunne, Union Indemnity; Tunner up, John Keevers, Maryland Casualty. Old Timer—W. W. Hansmann, Fidelity & Deposit. Prize for Best Host-Fresent—R. H. Beard. Prize for Best Abosent Host—O. P. Alford. Prizes for B

#### Big Contract Bond Written

The American Surety has signed a contract bond amounting to \$2,118,423 covering the erection of six floors of the county-city building of Seattle. The building is financed by a bond issue of \$2,210,000 recently voted by the citizens.

supervisors a resolution which would require affidavits with all surety bonds on county projects to state that no county officials have an interest in the

Goes on Far West Trip

Harry Leonard, manager of the surety Harry Leonard, manager of the surety department of the Union Indemnity and Northwestern Casualty & Surety, left New Orleans Tuesday for an extended tour of the offices in the far west. Mr. Leonard's tour will take him to Salt Lake City, Utah; Butte, Montana; Seattle, Washington; San Francisco, Los Angeles and intermediate points. In all he will be absent for two or three months.

#### PERSONALS

James S. Kemper of Chicago, presi-ent of the Lumbermen's Mutual dent of the Lumbermen's Mutual Casualty and head of a syndicate of mutual companies sailed last week on a trip abroad, being a member of the American delegation attending the con-gress of the International Chamber of gress of the International Chamber of Commerce at Amsterdam, July 8-13. Mr. Kemper was formerly a director of the United States Chamber of Commerce. He will represent the National Association of Mutual Casualty Companies. He has taken high rank in his efforts toward furthering accident prevention. Mr. Kemper is a member of the committee from America that has to deal with highway transportation.

Mr. Kemper has purchased a large residence of New England design on five acres of ground at 76 Locust Road, Winnetka, Ill., just south of the Hill road and across the street from the Indian Hill Country Club.

wering the erection of six floors of the bunty-city building of Seattle. The uilding is financed by a bond issue of L310,000 recently voted by the citizens.

Resolution Before County Board
Supervisor Hermann has introduced to the Milwaukee county board of Mr. and Mrs. Arthur W. Collins at Evanston, Ill. Mr. McKinley is a well-

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Capital \$1,000,000

CASUALTY **INSURANCE** 

FIDELITY AND SURETY BONDS

#### GENERAL AGENTS

We have some attractive district and state agency contracts open for some good organizers who want to develop independent businesses for themselves. If you have had no experience in organization work, do not reply.

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T-H-E COMBINATION I-D-E-A-L

Liberal policies

Good territory Agency-Building

Operation from Home Office

Efficient Claims Service

SUCCESSFUL NATIONAL AGENCIES

Are you making PROGRESS? If not, are you willing to spend TWO CENTS to learn WHY National Casualty salesmen forge ahead continually?

We have a full line of Commercial, Industrial, Group and Deferred Payment Accident and Health policies. A connection with this company will be the TURNING POINT IN YOUR LIFE.

# NATIONAL CASUALTY COMPANY

Detroit, Michigan

W. G. Curtis, President

Full Coverage Automobile Insurance At Independent

Stock Company

UNDERWRITERS CASUALTY COMPANY

HOME OFFICE
PLANKINGTON BUILDING MILWAUKEE, WIS.

Capital and Surplus \$200,000.00

Agents Solicited

AMERICAN CASUALTY COMPANY (D) READING, PENNSYLVANIA

BIG ENOUGH FOR YOUR NEEDS-**BUT NOT OVERGROWN** 

Inquire about our excellent agency proposition

**Incorporated 1902** 

Assets \$3,791,807.40

known Chicago attorney and was for-merly special attorney of the Illinois insurance department. Later on he was merly special attorney of the Illinois insurance department. Later on he was president of the old Merchants National Fire of Chicago. Mr. Collins is United States manager of the Zurich. The ceremony was performed at St. Mary's church in Evanston, the participating clergymen being Monsignor O'Brien, Rev. Joseph Boyle, Rev. Joseph Fitzgibbons, Rev. Francis Schorsch and Rev. Francis Magner. Mrs. Collins graduated from Northwestern University in June. Mr. Collins graduated from Northwestern a year ago. He was captain of the tennis team at the university.

L. H. Mueller, who recently resigned from the vice-presidency of the Asso-ciated Indemnity of San Francisco and from executive positions with its af-filiated companies, was honored by the staff of the head office June 29 when he was presented with a wrist watch, a hockey stick and a handsome set of golf clubs and golf bag. Mr. Mueller was recently elected president of the Varney Air Lines and after a few weeks in the mountains will assume his new duties. He has been an ardent aviator and air fan for more than ten years past.

Phil Braniff of Tulsa, sage of Okla-homa, philosopher, wit and insurance man, was in Chicago Monday en route home from attending the convention of the National Association of Realtors at

O. M. Doyle, who has been called by President Charles H. Holland of the Independence Indemnity to the head office of the company as its second vice-

president, has had a broad experience in casualty underwriting. Following his graduation from St. Louis University some 20 years ago, Mr. Doyle at once entered the casualty insurance business, with which he has since been continuously identified. For a time he was in ously identified. For a time he was in charge of the northwestern territory for the Royal Indemnity, later becoming assistant manager in San Francisco for the Norwich Union Indemnity, and again assuming the management of the office in that city for the Standard Accident. In recent years he was head of dent. In recent years he was head of the casualty and surety departments of the Behrendt-Levy Agency of Los An-geles, pioneering at the same time in aircraft insurance, soon controlling one of the largest accounts of this type of business in the country.

Philip W. Kniskern, elected vice-president of the recently formed Conof New York City, was formerly vice-president of the National Surety in charge of its mortgage bond guarantee department and prior to that did spe-cial work for the Metropolitan Life in looking up loans in the central west.

On the eve of his retirement from the service of the New York Casualty, with which he has been connected for the past three years, since 1927 a vice-president in charge of surety business, Emil L. Hoen was the luncheon guest of a number of his friends and former associates at the Drug & Chemical Che associates at the Drug & Chemical Club in New York City on Tuesday. He will doubtless continue in the surety business, though his future plans have not been announced.

# WITH BURGLARY UNDERWRITERS

#### NEW CENTURY CASUALTY ACTS | BANKS MUST COMBAT CRIME

Chicago Company That Has Been Writing Only Plate Glass Enters Burglary Field

The New Century Casualty of Chicago, which heretofore has confined itself to plate glass insurance exclusively, is branching out into the burglary line and will be able to give full service to agents in a few weeks. Edward J. Brink, who organized and has been in charge of the burglary department at the home office of the Central West Casualty of Detroit, has been appointed manager of Detroit, has been appointed manager of the new department of the New Cen-tury Casualty. Mr. Brink started with Conkling, Price & Webb in Chicago, spending 10 years in that office. He then went with the Travelers in New York City. He returned to Chicago, be-ing special agent for the National Survey. York City. He returned to Cincago, pening special agent for the National Surety for two years. He then became chief underwriter for Bartholomay-Darling Company, general agent for the Indemnity of North America. He afterwards went with the Standard Accident in Chicago, organizing its burglary and plate cago, organizing its burglary and plate glass department. The New Century Casualty has built up a very excellent plate glass business.

#### Bank Robber Drive Successful

OKLAHOMA CITY, July 3—Ten bank robbers have been killed in Oklahoma within the last three years, the period during which the Oklahoma Bankers Association has been paying rewards, according to Eugene P. Gum, secretary. In its campaign to eliminate bank bandiry in the state the bankers associative in the state the bankers associated. In its campaign to eliminate bank banditry in the state the bankers association has pushed cases and paid rewards on 75 captured, convicted or killed robbers since 1926. Rewards in cases handled for association members since institution of the reward stipend, paid and pending, total \$17,750, Mr. Gum estimated. mated.

Invest Your Capital in Yourself! Put \$2 Into a subscription to The Casualty Insuror, Monthly, \$2 a year. A-1946 Insurance Exchange, Chicago.

Purchase of Burglary Insurance Does Not End Responsibility, St. Joseph Man Tells Michigan Bankers

CHARLEVOIX, MICH., July 3 .-Purchase of insurance against holdups or burglaries does not properly release Michigan bankers from their responsi-Michigan bankers from their responsibility to use every possible means to combat organized crime, Rome C. Stephenson, president of the St. Joseph Loan & Trust Company and a vice-president of the American Bankers Association, told the Michigan Bankers Association at the state convention here last week last week.

"The bandit, daylight holdup man and yegg have used their wits, intelligence and ingenuity," said Mr. Stephenson. "They have taken advantage of every modern invention and contrivance that would contribute to expedite the attacks would contribute to expedite the attacks upon banks. The crime condition is not a periodic cycle from which the country will eventually be relieved. It is here to stay. Crime has been so successfully pursued by so many persons that new recruits are constantly being added to the gangs. The number of crocks now construction in this country. crooks now operating in this country, making a specialty of robbing and de frauding banks, is appalling. They are at work constantly, devising ways and means to attack their victims. The latter have done little to resist the thieves being the state of the state yond the purchase of insurance policies to indemnify them against loss, but if bankers continue their inaction and lethargy, the time is rapidly approaching when the cost of such insurance will be-

when the cost of such insurance with come prohibitive."

A somewhat less dark picture of the situation was drawn by S. L. Wing of Coldwater. He said that the efforts of the protective department of the banker's association have materially reduced burdlery and holdup insurance rates. He pointed out that few bank bandits have escaped with their plunder in this state, only a few "jobs" in Wayne county

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# Optimistic Over **Auto Situation**

(CONTINUED FROM PAGE 37)

it was found that such things as management, morale and careful operation agement, morate and careful operation had a considerable influence on the experience and produced an effect which could not possibly be measured in advance by a hard and fast classification system of rating.

#### Competitive Situation Develops

"Immediately a competitive situation developed. Those risks which had pro-duced an experience better than the everage, were no longer content to pay the average rate for the classification in which they were included and began to which they were included and began to seek insurance at a price which they felt was commensurate with their hazards. Some of these risks went to non-tariff companies; others were driven to self-insurance. The average and worse than average risks quite naturally configued to have insurance at the average. tinued to buy insurance at the average

tinued to buy insurance at the average rate which was not very comforting to the underwriter who faced a future of adverse selection with an increasing loss ratio and advancing rates.

"To meet this difficulty the theory of experience rating for fleets was developed a little over 10 years ago. Originally experience rating was applicable to fleets of 25 or more automobiles under one ownership. As time went on, the eligibility requirement was reduced to 10 cars and finally to five cars provided an annual premium of \$1,000 or more was involved. was involved.

#### Affect Individual Risks

"Today we would not think of applying the same rates to all fleet risks falling in the same classification. Such a course would not only be inequitable from the rating standpoint, but also unwise and short sighted from the competitive

The difficulties which beset the proper rating of fleet risks 10 years ago have in recent years surrounded the writing of individual car risks. Just as it was found that certain fleet risks, because of a careful operating policy, proved themselves better than the average, so it was found that a certain class of in-dividual car owners proved themselves better risks than the average. So a few years ago the theory of merit rating for individual risks was advanced in order to deal with single car risks in somewhat the same fashion as experience rating had dealt with fleet risks, and finally, in March of this year, a definite plan of merit rating was announced.

"The theory of merit rating is predi-



(Detroit) and one in Sturgis having been entirely successful within the past several years. The vigilante system adopted throughout many counties and extensive use of burglar alarms and other safeguards, he maintained, is reducing this lazard in many institutions. such drivers and assigns them a rate less than the average rate. In other word, merit rating is merely one more step in the stock company rating procedure of fitting rates to risks in accordance with experience. Merit rating is not a detached incident in the history of automobile rate making, and any one who so regards it mistakes its true significance. Actually, merit rating is the natural and logical development of the theory of prospective rating which finds expression first in the constant refinement of basic classifica-tions and rate territories next in the adoption and extension of experience rating for fleets and now finally in the application of merit rating to individual

#### Details May Be Questioned

"There is, to be sure, room for debate concerning the details and modus operconcerning the details and modus operandi of the present plan and it is to be expected that improvements will suggest themselves as time goes on. Yet the theory of merit rating is sound and it is here to stay. It is reasonable to anticipate first that the plan will be broadened to provide classifications of risks to carry higher than average rates, and second, that even more favorable rates may be possible for risks with clear experience records for periods longer than two years. The merit rating plan is bound to become inceasingly important as a means of developing more and better business, and—what is perand better business, and—what is per-haps more valuable—as the medium for gaining the good will and support of the insuring public."

#### Rates for New Crime Policy Vary in Localities

NEW YORK, July 3.—Rates for the new crime protection policy, the issuance of which was determined on at the recent meeting of the burglary division of the National Bureau of Casualty & Surety Underwriters, vary for different sections. The charge for the coverage in Los Angeles county, Cal., Cook county, Ill., and Oklahoma will be \$70; in Hillsboro county, Fla., Wayne county, Mich., Salt Lake county, Ufah. Wyandotte county, Kan., and Jackson county, Mo., \$75, and for the balance of the country, \$65. The new contract, which is a combination of the merchants' protection and the fraud bonds, is written for an even \$3,000 aggregate lia-NEW YORK, July 3.-Rates for the ten for an even \$3,000 aggregate liability, with specified benefits for each of the hazards assumed.

#### Inspect Auto Equipment

LANSING, MICH., July 3—A state-wide check-up on safety equipment of auto vehicles operating in Michigan was completed last week. A very high percentage of all cars registered in the state underwent inspection at official garages or at roadside testing stations operated by local police or sheriff's officers or the state police. Under the state law, defects in equipment may be penalized and in all cases where the tests disclosed faulty equipment the motorists were forced to make the necessary repairs immediately.

Officials of several insurance companies operating in the state are active in the Michigan Safety Council organization and helped to supervise the safety campaign. It is anticipated that collision losses and other accidents will be considerably reduced by the drive, the second to be conducted in this state. LANSING, MICH., July 3-A state-wide

#### Casualty Notes

Leo Pringey of Cushing, Okla., has severed his bank connections and plans to open a general insurance office early in July.

Walter F. Rossow has been arrested charged with embezzling \$9,000 from the Builders & Manufacturers Casualty of Chicago. He was manager of the claim department. He became ill a month ago and a substitute was put in his place and the alleged shortage was discovered.





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#### Experienced Automobile Man

Wants office position in company or general agency. Can handle underwriting and claims in office. Understands accounting and office methods. Prefer St. Louis but open for place offering opportunity anywhere. Address M-85, care The National Underwriter.

#### WANTED

Casualty and Automobile Underwriter of experience. State age, salary expected. Indianapolis resident preferred. Address M-84, care The National Underwriter.

#### Casualty & Surety Man Wanted

Old established branch of large surety and cau-ualty company desires experienced surety and cau-ualty man to travel Indiana and Illinois. Reply fully stating age, business history, experience and salary required. ss M-79, care The National Underwriter

QUALIFIED Great American Indemnity Company New Hork Fidelity and Casualty

### **Premium Income Maintains Level**

(CONTINUED FROM PAGE 3)

more vigorously than ever to retain their place in the sun. While some of the late entrants possess limited financial resources and may not reasonably count upon a long lease of life, others have strong backing, are under the direction of trained underwriters, and unquestionably will survive in the severe struggle for existence all appreciate is now developing. now developing.

#### Militant Attitude Taken

Transcending in importance al. other movements in the fire field thus far in 1929 was the militant attitude assumed by the affiliated companies against the free lance institutions. For months the orthodox offices patiently witnessed the continued aggression of the non-affili-

# Experienced Adjuster Desires Position

Attorney, 7 years—Casualty, Fidelity and Surety claims experience as adjuster and claim supt, desires position either as claim man or special agent, in middle west, Familiar with Ohio, West Virginia & Central west. Address M-82, care The National Underwriter.

#### SURETY & CASUALTY SPECIAL AGENT

Wanted to travel under supervision Texas branch office large and well established Com-pany, Underwriting experience desirable quali-fication but not absolute requirement. Ad-dress M-53, care The National Underwriter.

POSITION WANTED Supervising Special Agent with comprehensive knowledge of both casualty and surety lines desires change for personal reasons. Excellent references and a record of accomplishment. Broad acquaintance throughout Kentucky and Tennessee and general knowledge of entire South. Address M-86, care The National Underwriter.

#### SALESMAN WANTED

Live casualty company wants salesman to travel central states in an advisory capacity to represent policy holders regarding auto-mobile insurance. Must be single and have experience on various forms of automobile insurance. Address M-87, care The National Underwriter.

#### PLATE GLASS SALESMAN WANTED

Progressive casualty company wants a salesman for plate glass insurance in Cook County. Experience in this line not necessary, but sales experience preferred. Full particulars regarding yourself and salary desired. Address M-88, care The National Underwriter.

Re-Insurance **Excess Re-Insurance** Catastrophe Hazard

#### A. STOKER DEE

RE-INSURANCE UNDERWRITER 2111 Daily News Bldg. CHICAGO

All Lines but Stressing Excess Fire Reinsurance General Classifications

ated companies upon their agency business, and though irritated by it, took no definite defense action, at least not collectively, and without concerted movement defense avails but little.

Appreciating finally the force of the military axiom that the most effective defense is a vigorous offense, the affiliated companies are now prepared to put into operation aggressive tactics against their free lance competitors in all sections of the country and propose following these methods from now on, confident that through such means and confident that through such means and only thereby will they be able to retain upon their books business patiently built up through a long series of years and at considerable expense. Separation is now a settled policy for the orthodox companies and will be strictly adhered to. The right of any company to conduct its affairs along such lines as it sees fit, is recognized, and executives of standard institutions have no quarrel therewith. What they do resent, rel therewith. What they do resent, however, is the entry of free lance ganizations into their agencies, which through the payment of excess commissions gain advantages over the standard companies. Local agents may elect without let or hindrance to represent whichever type of company they see fit, but the orthodox men maintain local men cannot represent both.

#### Weld Executives Together

aggressions of non-affiliated companies east, west and upon the Paci-fic Coast in late months, have had a notable effect in welding the executives of the great orthodox groups closer to-gether than they have ever been before. Minor differences between men of this type, which heretofore have militated against effective concerted action, have now been set aside, and instead empha-sis is placed upon the need for complete accord in devising and making op-erative plans for meeting the non-affiliated element.

The formation of new fire companies, so popular during 1928, it is generally thought, will not again be repeated in anything like the same degree. Capital, so freely invested in that direction some months ago, has apparently turned to other avenues of investment, and promoters of intended fire organizaand promoters of intended fire organiza-tions report it almost impossible to raise sufficient funds. It is anticipated that some of the great casualty companies, now without fire affiliations, will launch such corporations, and it is likewise taken for granted that some of the es-tablished fire organizations lacking tablished fire organizations lacking casualty annexes will either by the pur-chase of going concerns or the launching of new ones enter the casualty arena; but aside from such assumed movements it is not thought likely that the latter half of 1929 will witness the creation of any considerable number, if any, important new insurance companies, either fire or casualty.

#### Will Require Several Years

Another move of first rank in the fire field was the decision of the National

Board at its annual gathering in May to assume countrywide control of loss adjustments, or at least of those in excess of \$1,000. While the complete exrying out of the ambitious program will require several years time, the great majority of the companies are definitely committed to the plan; confident that through its operation a large aggregate saving will be made to the fire business

and without injury to honest assureds.
While the reorganization of the National Automobile Underwriters Con-ference has not yet been worked out, the committee of 15 still laboring conthe committee of 15 still laboring con-stantly upon the completion of its plan, it may safely be assumed that the writ-ing of automobile insurance during the latter half of this year and thereafter, will be upon a far more satisfactory basis than has been true of late, and that the reformative measures intro-duced therein, will be of material aid in the conduct of the strictly fire line.

### Effect of Mergers in Insurance Field Reviewed

(CONTINUED FROM PAGE 3)

panies are obliged to earn each year 3 panies are obliged to earn each year 3 or 3½ percent at least on their reserves, which the fire and casualty companies do not have to do. Some of the best common stocks do not earn this much omitting their stock dividends and "rights." Life insurance reserves are definitely "trust funds" which cannot be said of stock fire and casualty company assets. Life agents who preach the sacred character of life insurance reserves and many policyholders would accept with considerable hesitation the idea of investing in the more or less speculative non-guaranteed c om m on speculative non-guaranteed common

#### Sees No Life Insurance Change

So that it is quite likely that for some time to come the life insurance business will remain perhaps the only major American industry that has not been inoculated with the merger virus.

The local fire agents have helped, per-haps unconsciously, in the concentration movement. The great campaign which was so successful in doing away with the underwriters agencies and requiring their reorganization as stock companies if continued, helped materially in develop-ing the fleet idea and prevented the weaker and smaller companies from maintaining their position, compelling them to sell out finally to the larger and more powerful groups.

#### Bankers Indemnity Office Moves

The Chicago branch office of the Bankers Indemnity of Newark, now under the management of Roscoe R. Clark, has moved to 1055 Insurance Exchange, telephone Wabash 8522. The claim department, which was formerly at 166 West Jackson boulevard, will occupy adjoining offices in the Insurance Exchange. Raymond J. Carey is superintendent of the claim department.

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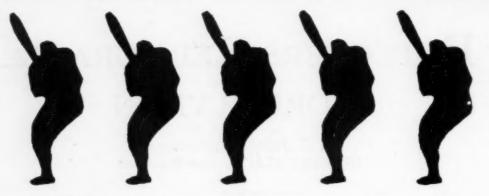
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# What Wins a Ball Game?



HITTING ..... hitting ..... always the hitting. True ..... a ball team must have pitching and fielding but a game is won on hits.

The Employers' Group is well up in the league. It is winning its games regularly. And why? Not only because of the splendid pitching done by the Home Office. Not only because of the flawless fielding done by its claim men, auditors, or engineers. But mostly due to the runs knocked in by its agents.

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